

INDIAN STATES' OPIUM COMMITTEE 1927—1928

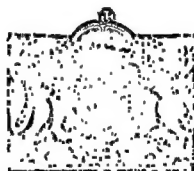
VOLUME II.—REPORTS

FOR THE STATES OF

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GWALIOR,
AJAIGARH,
ALI-RAJPUR,
BAONI,

BARAUNDHA,
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GOVERNMENT OF INDIA PRESS
1929

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seer in 1921 and 1922, Rs. 14 in 1923, Rs. 12 in 1924 and Rs. 10 (the present rate) from 1925 onwards. An estimate of present cost can therefore most conveniently be based on the latest figures, those of 1927. It is reasonable, in estimating the true cost, to include interest charges on the capital outlay, since the crude opium is not matured and ready for issue from the Factory until three years at least and is not actually issued, under present conditions until seven years. It may, however, be assumed that a normal period of storage in the Factory is about 5 years, and that during this time the opium increases in consistency from about 75° to about 90°—in other words that it loses by dryage 15 per cent. or roughly one-seventh. It may be noted further that in the figures showing the cost of the crude opium of each year (Column 4 of Statement 10) are included both the price paid to the cultivators and the total Factory expenditure of that year. The figure of Rs. 23,824-6-10 against the 1927 opium includes Rs. 19,305-13-6 paid to cultivators and Rs. 4,518-9-4 representing Factory costs for 6 months only. The Factory costs for the remaining six months must therefore be added at the same figure, bringing the total capital cost of the 1927 opium to Rs. 28,343-0-2. Interest on this sum at 5 per cent. for five years is Rs. 7,085-12-0, bringing the final cost to Rs. 35,428-12-2 of 49 maunds, 30 seers of crude opium representing 42 maunds, 26 seers of hard opium. The cost thus amounts to Rs. 20-12-3 per seer.

5. The President stated that the present price of Ghazipur opium is Rs. 26 per seer and it might perhaps amount, with freight and other incidental charges included, to Rs. 28 per seer delivered at the Sidhpur Factory; on the other hand hard opium of the best quality could be purchased at present in the Malwa market and brought to Sidhpur at a cost certainly not exceeding Rs. 11 per seer.

6. On the basis of these figures, the cost of Baroda opium to the State may be considered less by Rs. 7-3-9 per seer than that of Ghazipur opium. This represents a difference on the present average consumption of 176 maunds, 25 seers, of Rs. 51,110-13-9 annually. Compared with hard Malwa opium at present rates, the cost to the State of Baroda opium is greater by Rs. 9-12-3 per seer or Rs. 68,994-2-3 annually.

7. As regards the second question discussed (that of the possible co-operation of the Baroda Government in measures for improving opium conditions in the Central India and Rajputana States) the Committee recognises that the position of Baroda in regard to opium more resembles that of the neighbouring British provinces than that of the States of Central India and Rajputana. The only difference between conditions in Baroda and in the Bombay Presidency is that the Baroda State produces in its own territory the opium required for internal consumption and keeps its reserve of opium in the State Factory.

8. The President quoted certain figures, based on the information so far available to the Committee, which illustrate the nature

and extent of the present difficulties and the extent to which the Government of India have been able, since the China trade came to an end, to provide an alternative market for opium from Indian States. In Central India and Rajputana as a whole there exist stocks of old opium, in the hands of merchants and private persons, estimated at 25,000 to 30,000 maunds. The present output of the producing States is about 8,000 maunds annually, and the present consumption of all the States which obtain opium from Central India and Rajputana and not from Ghazipur, is estimated at about 4,000 maunds annually. The Government of India have purchased from the States, since the China trade came to an end, nearly 45,000 maunds of hard opium and over 75,000 maunds of crude opium. At the present time the demand of the whole of British India is about 7,300 maunds and the States are sending to the Ghazipur Factory about 6,500 maunds annually, every seer of opium despatched from Ghazipur for consumption in India consisting four-fifths of Malwa opium and one-fifth of opium from British India. Cultivation in British India has been reduced by 92.5 per cent. from the area cultivated before the China trade ended, a much greater proportional reduction than that of the present producing States. It is impossible for the Government of India to continue to purchase the States' opium on the present scale, since the Ghazipur Factory is already overstocked, with opium obtained mainly from the States, and in a few years all exports of opium to markets outside India will have ceased. Exports of medicinal derivatives of Indian opium are now, and are likely to remain, extremely small, since Indian opium with its lower morphine content cannot economically compete with Turkish and Persian opium in the world market for these drugs. In the circumstances outlined above the only possible solution of the problem of the old stocks is to reduce cultivation and to concentrate as far as possible upon these stocks the demand of the consuming States.

The President added that the Baroda Government, in view of the stocks in hand at their Factory, clearly cannot assist materially in the disposal of the old stocks elsewhere; but that if the State were prepared to discount . . . together, as a temporary measure and . . . inherent right of production, this decision . . . aiding producing State, would very greatly assist the efforts now being made to relieve the congestion of stocks, to prevent smuggling and to promote uniformity in the opium arrangements throughout India.

9. The Committee understands that the Baroda Government are in full sympathy with these efforts but are not prepared altogether to discontinue opium production even for a limited period.

J. A. POPE, *President.*

GOBVINDBHAI H. DESAI,
G. HENDERSON,
AZIZUDDIN AHMED. } *Members.*

Dated Baroda, the 5th March 1928.

Accompaniments to Baroda State Report.

Information for the Opium Committee.

POINT No. 1.

The present situation especially in regard to—

(1) AGRICULTURE.

(a) The extent to which poppy is cultivated in the Baroda State.

1. *Present limited opium cultivation.*—Statement No. 1 shows the area under poppy cultivation in Baroda territory from 1876-77 to 1926-27. Up to 1913, Baroda used to export its opium to China on payment of the fixed pass duty to the British Government. From the statement it will be seen that owing to this outlet, opium was cultivated on a large scale. Since 1913 the opium cultivation is restricted to the needs of the State. Before 1913 the area under poppy cultivation was nearly 15,000 acres while now it is 500 acres. Every year the area to be cultivated with poppy is determined after taking into consideration the stock in the Factory. As opium is now cultivated in a small area, permits are issued to the cultivators of Sidhpur, Kheralu and Visnagar Talukas only by allotting the acreage to only such villages of these Talukas which have Kunbi and Memon cultivators who are painstaking and industrious.

(b) The quality and nature of the lands on which poppy is cultivated and the amount of irrigation required and the nature of arrangements for such irrigation.

2. *Land being light and sandy is well suited for poppy crop.*—The soil of the Kadi District, especially the northern half, is well suited for growing poppy. The land is light and sandy. It is tilled and seeds are sown therein easily. The poppy cultivation season begins in October-November and owing to the agreeable cold in this part, the plants grow vigorously. Generally the cultivators do not take monsoon crops from the land in which they intend to grow poppy in winter, but keep it fallow. The yield and quality of poppy juice obtained from such land is good. Some poor cultivators sow the land with *bajri* in monsoon, reap this crop in October-November, and sow poppy in it. The yield of poppy juice from such land is low.

3. *Poppy requires less irrigation than other crops.*—Poppy is an irrigated winter crop. Among all the winter crops poppy requires the least number of waterings. Wheat requires 15 to 20, rapeseed requires 10 to 15, while poppy requires 7 to 8 waterings. While wheat and rapeseed require watering at intervals of 4 or 5 days, the poppy crop requires it at an interval of a week or two.

4. *Irrigation is by well water.*—There is no canal irrigation in the Kadi District. A few cultivators use water of the Kadarapur tank in the Kheralu taluka, and of the Saraswati river in the

Sidhpur taluka for irrigation. But most of the cultivators water their winter crops by drawing water from wells situated in their fields by leather buckets with the help of bullocks. Recently a few big *khatedars* have set up oil pumps.

(c) *The liability of the yield of poppy juice to fluctuate owing to seasonal conditions.*

5. *Seasonal conditions do not affect poppy as they do other crops.*—Seasonal conditions, unless extraordinarily bad, do not prejudicially affect the yield of poppy crop. The eastern current of wind is supposed to be favourable, while the western one is considered to be injurious. During the poppy season, the eastern wind blows over the fields in the Kadi District which helps their growth. Intense cold and frost destroy wheat, rape-seed, cotton and other crops, while the poppy crop withstands them. Only when there is frost at the time of lancing, it spoils the quality of the juice by reducing its consistence and what is called "*paseua*" is formed. It also spoils the aroma of the juice and affects the uniformity of its mass.

6. *Locusts, etc., do not spoil poppy.*—Wheat and all other crops are often destroyed by locusts, caterpillars and other pests, while poppy is not affected by them.

(d) *The advantages or disadvantages of cultivation of poppy as compared with other crops from the point of view of the cultivator.*

7. *More income from poppy than from any other crop.*—Statement No. 2 will show that the net earnings of a cultivator from poppy is about Rs. 89 per acre, while it is not more than Rs. 63-0-0 from any other crop. From the statement it will also be seen that the income from poppy seeds more than covers the expenses of cultivation, and the price of the juice which the cultivator gets is his net profit.

8. *Less labour and expense in poppy cultivation.*—As stated before wheat and rape-seed require from 10 to 15 waterings at short intervals, while poppy requires 7 to 8 waterings. Consequently, the inadequacy of water is not felt so much in poppy cultivation as in wheat, etc.

9. *Other crops sold to sowcars at their price while poppy juice purchased by State at fixed price.*—Most of the cultivators are in debt and consequently are in the clutches of *sowcars*. When they reap the harvest of the crop they are required to sell them to the *sowcars* at a price lower than the prevailing market price. They are also cheated in weighment. Their dependence on the *sowcars* make them suffer in every way, especially owing to their illiteracy.

On the other hand in the case of opium, Government fixes and notifies beforehand the price which it will pay for the juice. The cultivator thus knows beforehand the price he will get for his juice, while in the case of other crops and cotton he does not know from the beginning what price he will get for his produce, but has to

depend upon the prospective bazar prices and the exaction of the money lender. He hardly gets any cash from the *sowcar*. It is credited to his never-ending account.

10. *Market prices of other crops uncertain.*—When the season is favourable, the cultivator produces greater quantity of juice and as the price is fixed he gets more money in proportion to his produce. On the contrary in other crops, when the harvest is good the market gets over-stocked, and prices go down, whereby he is not in a position to get more money in proportion to the quantity he sells.

11. *In poppy, cultivator gets cash when he needs it most.*—In poppy cultivation, the cultivator can get advances which is not the case in other crops. *Tagavi* is given in October-November and the crop is paid for in April. This helps the cultivator to pay the second instalment of land revenue which falls due in that month. This saves him from the necessity of borrowing from the money lender.

12. *Cultivators growing poppy have large credit.*—Those who are conversant with the condition of the agriculturists of the Kadi District know how much they have suffered owing to the restriction of poppy cultivation. In 1912-13, when poppy was cultivated in 21,893 acres, the cultivators got Rs. 17,19,037 as the price of their juice, while in 1926-27 when it was cultivated in 424 acres they got Rs. 19,305. They have not been able to make good even half of this deficit of Rs. 16,99,732 by the enhanced cultivation of wheat and rapeseed. When they used to get a large amount of money in cash from the sale of poppy juice they had good credit in the bazar, which now they have not.

13. *Cultivators prefer poppy cultivation in spite of State control.*—In poppy cultivation the cultivators have to obtain permits and strictly observe the conditions thereof and those of the Opium Rules, the violation of which is punishable under the Opium Act in a Court of Law. In spite of all these inconveniences incidental to State control, applications pour in numbers asking for permits for poppy cultivation, most of which have to be rejected, and the demands of the rest greatly curtailed. This goes to show that in the eyes of the cultivator, the poppy crop is decidedly more paying than other crops.

(e) *The possibility of substituting other crops for poppy and the effect on the cultivator of such substitution.*

14. *Fruit culture cannot be substituted for poppy.*—The Kadi District and especially the northern part of it where poppy thrives cannot be developed by planting fruit trees. Heat, scarcity of water, want of rich manure, and the poor and sandy nature of the soil come in the way of developing fruit culture. Thus mangoes of superior quality, jack-fruits, pine-apples and such other fruits which grow well in the Surat and Naosari districts and which pay well cannot be grown in these tracts and substituted in place of poppy.

15. *Cotton, etc., cannot also be substituted for poppy.*—Cotton is another remunerative crop and it is grown in small areas in the Kadi District. But as the soil is not favourable, it is inferior in quality and does not thrive as in the southern parts of Gujarat. The same is the case with tobacco which is grown by some cultivators.

16. *If poppy cultivation is stopped wheat and rapeseed will have to be grown on a larger scale.*—In winter, the cultivators grow wheat and rapeseed in such areas of their fields as their water resources permit. These are the chief winter crops which are grown in the Kadi District. But as shown in the foregoing paragraphs and in the statement No. 2 these crops require more watering and labour and do not pay in proportion. If poppy cultivation is stopped altogether, the cultivators will have no other help but to grow wheat and rapeseed on a larger scale and suffer a loss. Their scanty water resources will not permit of all the land being put under these crops.

(2) FINANCIAL.

(i) *The average land revenue derived from land by the State,*

(a) *distinguishing revenue from land cultivated with poppy for supply to the Government of India, that from land cultivated with poppy for supply to other States, and that from land cultivated with opium for internal consumption.*

17. *Opium is now cultivated only for internal consumption.*—Opium is not cultivated in the Baroda State for supplying it to the Government of India or to other Indian States. Upto 1913, it was cultivated for export to China and for internal consumption. Since the export of Baroda Opium to China was stopped in 1913, it is cultivated only in such area as would produce the quantities for internal consumption in the State.

18. *No additional land cess for poppy cultivation.*—No additional land cess is charged for the cultivation of poppy. The cultivator pays the same settled land tax to Government whether he sows the land with poppy or any other crop.

(b) *The average revenue derived by the State other than land revenue from internal consumption of opium.*

19. *Opium revenue from internal consumption.*—Statement No. 3 will show that the average revenue from internal consumption of opium is Rs. 5,80,492 a year.

(c) *The average revenue other than land revenue derived by the State from the export of opium to other States.*

20. *Opium is not supplied to other States.*—Opium is not supplied by Baroda to other Indian States. Consequently, no revenue is derived by Baroda from this source.

(d) *The average revenue other than land revenue derived by the State from the sale of opium to the Government of India.*

21. *No revenue derived from sale of opium to the British Government.*—Poppy is not cultivated in Baroda to supply opium to the Government of India. Consequently, no revenue is received from the sale of opium to the British Government.

(e) *Any other form of revenue derived by the Baroda Government from opium.*

22. *No source of revenue except from internal consumption.*—Upto 1913, the Baroda Government used to export opium to China from the port of Bombay. Statement No. 4 shows the revenue realised from the export of Baroda opium to China during the ten years upto 1912-13. From the statement, it will be seen that the average net revenue realised from this source was Rs. 4,39,323 yearly. Since 1913, His Highness' Government is deprived of this profit. At present the Baroda Government does not derive opium revenue from any other source except what it obtains from internal consumption of opium.

(ii) *The proportion that the total revenue of all kinds from opium bears to the total revenue of the State.*

23. *Proportion of opium revenue to total revenue of the State.*—Statement No. 5 shows the proportion which the total opium revenue bears to the total revenue of the State for years from 1901-02 to 1926-27. It will be seen that when Baroda used to derive revenue from exporting its opium to China this proportion was generally 1 to 8, while now when that revenue has ceased this proportion is 1 to 36.

(iii) *Expenditure upon the regulation and control of the cultivation, manufacture and distribution of opium and the nature of the arrangements for such control.*

24. *Expenditure of the Factory.*—Statement No. 6 shows the expenditure of the establishment of the Sidhpur Factory, labour charges for the manufacture of opium and purchasing the stores for packing chests, etc., (exclusive of the price paid for the juice) for the last seven years. At present this expenditure is nearly Rs. 8,000 a year. The main item of expenditure is the wages of labourers which is more or less in proportion to the juice purchased and manufactured.

25. *No special expense for maintaining sub-depôts.*—There are 19 sub-depôts in the State, which are in charge of the Taluka Vahivatdars (Tehsildars). This work is done by the Taluka Revenue Establishment and no special establishment is maintained for the work of these sub-depôts.

26. *How the control over poppy cultivation is exercised.*—The Opium Factory Manager issues permits to cultivators desiring to

sow poppy in the annexed form (See Ex. 7). Cultivators growing poppy are required to act according to the conditions of the permits and the defaulters are punished according to the Opium Act. The Patel-Talati of the village, the Circle Inspector in charge of the sub-division of the Taluka, the Taluka Vahivatdars and the sub-divisional Naib Subas take test measurements of the fields sown with poppy when they are on tour, and take notice of the defaulters according to rules. The Factory Manager makes purchases of the juice, and if any cultivator's juice is found less than the average yield to an extent which would cause suspicion, the Factory Manager immediately informs the Excise Inspector of the taluka who carries on the necessary investigation and takes due measures according to the Opium Act.

27. *Control over manufacture.*—The work of manufacturing opium from juice is done in the factory departmentally under the supervision of the Factory Manager. The Factory Manager is provided with quarters in the Factory premises, so that he may be able to keep constant and close watch over the Factory. The working hours of the Factory are from 9 A.M. to 5 P.M. No outsider is allowed to enter the Factory without the permission of the Manager. Labourers while leaving the Factory are searched by the Police in the presence of the Manager or his Assistant. The Factory is a pacca masonry building with a compound wall. There is a special Police Guard for the Factory. The doors of the Factory are properly locked and sealed and the keys and the seal are kept by the Manager with him.

28. *Control over the distribution of opium.*—From the sub-depôts opium is issued to the retail licensed vendors in the presence of the Vahivatdar and in his absence of the Awalkarkun. All the opium chests are kept packed and sealed. Even the one from which opium is being issued is packed and sealed. Opium chests are kept in the treasury room which is guarded by the Police.

(iv) *Loss of revenue to the State due to illicit practices in areas where opium is cultivated.*

29. *No loss in revenue from illicit practices in areas where opium is cultivated.*—The opium cultivators who are mostly Kunbis and Memans are not addicted to the use of opium. People on this side do not know how to manufacture opium. This is done in the Factory by a few labourers from Malwa. It is not paying to cultivators to withhold the juice and sell it secretly as they do not know the process of manufacture. During the last ten years, only in 1918-19, one case was detected in which three tolas of the poppy juice was found to have been concealed with the object of using it for medicinal purposes. It will thus be seen that there is no loss of revenue to Government by illicit practices in the areas where opium is cultivated.

(v) *Loss of revenue due to smuggling of opium from outside the State.*

30. *No loss of revenue due to smuggling from British India.*—The issue rate of opium in our territory is the same as that of the Bombay Government. This rate at present is Rs. 75 per seer. Opium is sold in our territory by retail vendors at Rs. 100 per seer. As opium is sold at the same price as in the adjoining British territory, there is no inducement for the smuggling of opium to our territory from British India. Thus practically there is no loss of revenue due to the smuggling of opium from British territory.

31. *Great loss owing to smuggling of opium from Indian States.*—But the case with regard to smuggling from the adjoining Indian States is quite different. Out of 39 talukas of the Baroda State, 35 are wholly or partially bordered by Indian States' territory. Over and above the issue rate of Rs. 75 per seer, the Baroda Government levies Rs. 14 per seer as license fee. Opium is sold in our territory at Rs. 100 per seer, i.e., Re. 1-4-0 per tola. All the Indian States of Gujerat and Kathiawar buy the opium required for their internal consumption from the British depôts at the issue rate fixed by the Bombay Government. But all of them are given a refund of the duty (issue rate *minus* the Ghazipur cost price) in whole or in part by the Bombay Government. Thus though opium is issued to the retail vendors of these States at the same issue rate as ours, they farm their shops with a nominal license fee in order that by the increase in sales the States would be able to procure a larger amount of refund from the Bombay Government, which is greater than the license fee they get per seer. As there is no fixed price below which they cannot sell opium, these licensee of the Indian States referred to can afford to sell opium cheaper. They sell opium at a price lower than even Rs. 80 per seer, i.e., less than Re. 1-0-0 per tola. Statement No. 8 shows the cases of opium smuggled into Baroda territory from the Indian States. It will be seen therefrom that during the last ten years out of a total number of 174 offences relating to opium, 148 were of opium smuggled into Baroda territory from the Indian States and that 90 seers and 16 tolas of opium was confiscated. Among these there were some cases of opium smuggled into our Kadi and Baroda Districts from Malwa and Rajputana. Opium is a drug which can be smuggled in small quantities without being detected, and it is impossible to catch hold of all the offenders. Thus it seems opium from Indian States must be smuggled in large quantities into our territory. Statement No. 9 shows the consumption of opium in the Baroda State during the last twenty years. During this period the consumption has gone down from 14,123 seers to 6,337 seers, i.e., is reduced by 55 per cent. It is difficult to estimate exactly what the amount of loss in revenue has been to His Highness' Government, but it may be safely said that the loss is considerable.

(vi) *The present cost and selling price of opium, the possibility of gradually raising the latter and the effect upon the State's finances of such a policy.*

32. *Cost price of opium.*—The opium in stock in the Sidhpur Factory is the produce of the years 1921 to 1927. Statement No. 10 shows the cost price of opium of each year. The main item which chiefly increases or decreases the cost price is the rate at which the juice is purchased. The rate sanctioned by the Baroda Government for the purchase of juice of superior quality (first class) was Rs. 16 per seer in 1921 and 1922, Rs. 14 in 1923, Rs. 12 in 1924 and Rs. 10 in the subsequent years. Juice of inferior quality was paid annas 8 per seer less for each lower class. It is this difference in price of the juice which shows such marked increase or decrease in the cost-price of the opium of the several years. The cost price of opium of the last two years' produce is Rs. 12 per seer.

33. *Price at which opium is sold.*—The issue rate of opium to the retail vendors is Rs. 75 per seer, and Rs. 14 per seer are charged as license fee. The retail vendor has thus to pay Rs. 89 for one seer of opium that he gets from a Government depot. The price at which opium is sold by the vendors is Rs. 100 per seer, i.e., Re. 1-4-0 per tola.

34. *Decrease in consumption due to large increase in selling price.*—Statement No. 11 shows the issue rate and the selling price of opium from 1901-02 to 1926-27. It will be seen that during these 26 years the issue rate has risen from Rs. 24 to Rs. 75 per seer, i.e., more than three times. It is not possible at present to ascertain the exact price at which opium was sold in previous years, when there was no restriction as to the maximum selling price. The minimum selling price permitted is therefore given in the statement. In 1901-02, the minimum selling price was Rs. 26-8-0 per seer. As the vendor has to pay the license fee to the State from the amount of difference between the selling price and the issue rate, it can be said that opium must have been sold in 1901-02 at a price not lower than Rs. 30 per seer. The selling price at present is Rs. 100 per seer, i.e., has risen more than three times in proportion to the increase in the issue rate. Statement No. 12 shows the consumption of opium in the State from 1907-08 to 1926-27. In 1907-08 it was 14,123 seers, while in 1926-27 it was 6,335 seers. Thus in these 20 years the consumption has decreased by 55 per cent. This is mainly due to the large increase in the selling price.

35. *Further increase in the selling price how far practicable.*—The class of opium consumers is poor and the present selling prices are already too heavy for them. Any further increase in the selling prices will mean very great hardship to these people, since it is impossible for them to give up the habit of eating opium all at once. However, the declared policy of the Baroda Government is maximum revenue from minimum consumption and they will be quite prepared to consider the possibility of steadily raising

the issue price of opium. The execution of this policy should however, depend upon the simultaneous raising of the prices in the adjoining areas of the Bombay Presidency and other Indian States.

- (vii) *The present sources of supply and the possibility of meeting the demand in the first instance from stocks held in the State under consideration taken as a whole, and ultimately Ghazipur, with special reference to the financial results of such a policy so far as these do not fall under any of the heads mentioned above.*

36. *Stock of opium in the State for seven or eight years' consumption.*—Opium in Baroda being State monopoly, the source of supply thereof is the State's Factory at Sidhpur. At present the stock of opium in the Factory is 1,253 maunds, i.e., 716 chests (one chest=1 $\frac{3}{4}$ maunds). The stock of opium in the sub-depôts is 160 maunds, i.e., 92 chests. Thus in all there are 808 chests of opium in the State. The consumption is nearly 7,000 seers, i.e., 100 chests. There will be some diminution in quantity owing to dryage till the stocks are disposed of. So the present stock will last for 7 or 8 years for internal consumption. As the consumers prefer old and seasoned opium, the stock necessary for some years is required to be maintained in the Factory. There is no stock of opium in private hands in this State. It will thus be seen that there is no enormous stock of opium in the Baroda State such as will last for 30 years as is the case in some of the Rajputana and Central India States.

37. *Heavy loss in importing opium from Ghazipur.*—Apart from the right of the State to cultivate the poppy and to manufacture opium required for its needs, if it is to be imported from the Ghazipur Factory, the stock required for one year will have to be brought to and stored in the Factory at Sidhpur; the nearest Railway Station in Baroda Territory to Ghazipur. It would be both inconvenient and costly for the several depôts to indent separately in small quantities from the Ghazipur Factory. From the central depôt at Sidhpur, opium will have to be sent to the sub-depôts as at present. Statement No. 10 shows the cost price of opium of several years in the factory. The cost price of opium of the years from 1921 to 1924 is higher because of the higher price paid for the juice. Since 1925 the price paid for the juice is Rs. 10 per seer. As opium grows old, the cost price increases owing to dryage. So when this opium is issued for sale its cost price will have been Rs. 14 or 15 per seer. The issue rate of opium from the Ghazipur Factory at which the Government of India supplies opium to Provincial Governments is Rs. 30 per seer. Thus the Baroda Government will have to pay Rs. 15 more for every seer of opium that it would purchase from the Ghazipur Factory. The average annual consumption in the State is 100 chests, that is, 7,000 seers. Thus Rs. 1,05,000 more will have to be paid as cost price every

year. The opium of the Ghazipur Factory is not so dry as ours and, consequently some additional loss on account of dryage will have to be borne. To this loss may be added the railway freight from Ghazipur to Sidhpur, cartage, loading and unloading charges, so also packing and other expenses at Ghazipur. So the total loss may come to nearly Rs. 1,10,000 a year, which is really heavy.

38. *How the Ghazipur cost price and Bombay issue rate increase from time to time.*—Statement No. 11 gives the issue rate fixed by the Bombay Government from time to time. Upto 1911-12, the Bombay Government used to purchase opium from Malwa for supplying it to their retail vendors and to the States under their political control. From April 1912, the Bombay Government began to purchase opium from the Ghazipur Factory instead of from Malwa. How the Ghazipur cost price and the Bombay issue rate has increased from time to time is shown below:—

Year.	Ghazipur Factory cost price per seer.			Bombay issue rate per seer.		
	Rs.	A.	P.	Rs.	A.	P.
1912-13	8	8	0	27	0	0
1916-17	11	0	0	35	0	0
1917-18	13	0	0	45	0	0
1920-21	20	0	0	60	0	0
1921-22	23	0	0	65	0	0
1922-23	30	0	0	75	0	0

It will thus be seen that the Bombay Government increases the issue rate every time the Ghazipur cost price is increased.

39. *More loss every time the Ghazipur cost price is increased.*—The profit of the Baroda Government from the internal consumption of opium was Rs. 4,23,646 in 1926-27. This profit will be lessened by Rs. 1,10,000, the moment the State begins to import Ghazipur opium. It may be noted that the Government of India have the sole authority to fix the cost price of the Ghazipur Factory, and as shown above, the Government of India increase this cost price from time to time. This increase means so much more loss to us every time. This increase will cause loss to Baroda revenue in three ways (1) loss in the net profit due to this increase, (2) reduction in gross receipts owing to the decrease in consumption by the enhanced selling prices consequent to this increase, and (3) decrease in license fee due to the reduction in consumption. Apart from the above consideration, the substitution of Ghazipur opium for Baroda opium is extremely difficult as the latter has a distinctive aroma and taste akin to that of the Malwa opium. If Ghazipur opium is forced upon the consumers in the State, they will try to obtain Malwa opium by illicit means from outside Baroda territory.

(viii) *Effect of discontinuance of cultivation of poppy on States that cultivate only for the Government of India and what steps if any can be taken to meet the same.*

40. *Baroda does not grow poppy for the British Government.*—This point does not arise in the case of Baroda as it does not cultivate poppy for the Government of India.

POINT No. 2.

Consumption in the State.—(i) *The manner in which opium is used, the purposes for and occasions on which it is used, and the extent to which it is used and, in particular, to which it is administered to children.*

41. *Opium is consumed in solid or liquid forms only.*—The smoking of opium is not prevalent in this State. It has been made a penal offence since 1862 and the habit has long disappeared. Raw opium (opium manufactured in the Sidhpur Factory) is consumed in solid or in liquid form. Opium mixed with water is occasionally drunk in small quantities from the palm of the person offering. The usual daily dose of addicts is very difficult to ascertain as it varies according to the idiosyncracies of the individual addict, but it may be said generally that the daily dose varies on an average from 10 grains to quarter of a tola. In the case of children, the opium administered is either crude or is mixed with saffron and other carminative ingredients. The dose in these cases is very small being as little as $\frac{1}{25}$ th to $\frac{1}{60}$ th of a grain.

42. *Purposes for which opium is used.*—Vaidis and doctors use opium as medicine for such diseases as diarrhoea, etc. Small doses of opium are considered to be invigorating and so some old and debilitated people take it as a tonic. In former times it was generally customary in all families to administer opium daily to children till they became two years of age in the shape of small pills or as a means to guard against the ailments of children, and to induce sound sleep. This practice is fast decreasing, especially among the upper classes. Women of the labouring class who are required to go to work generally administer opium to their children to make them sleep, so that they may be free to do manual labour.

43. *Occasions on which opium is used.*—The class of people who are generally habituated to take opium are Pardeshis, Kathis, Girassias, Rajputs, Bhats, Charans, Ahirs, Rabaries, Marwadies, Bavas, Gosais, Patidars and Mahomedans especially Fakirs. Those who are addicted to opium take it in small quantities daily or at intervals as their means permit. In marriage ceremonies and festivals, in fairs and places of pilgrimage, where these people assemble, it is the custom to take opium mixed with water. Opium water is also drunk when a long-standing quarrel between two parties is made up.

44. *Nearly $\frac{1}{4}$ th quantity is used for medicinal purposes.*—It is difficult to say to what extent opium is used on several occasions.

It may roughly be stated that about $\frac{1}{4}$ th of the total quantity consumed is used for medicinal purposes and the rest for other purposes.

(ii) *The forms (balls, biscuits, etc.) in which opium is used in the State.*

45. *Opium is made into balls.*—In this State, opium is manufactured in the form of balls by hand as is done in Malwa.

(iii) *The chemical composition of opium when prepared for consumption in the manner prevalent in the State and its physiological effects upon the consumers when so consumed.*

46. *Chemical composition of opium.*—The process of manufacturing opium being a mere manual labour no great chemical change takes place in the composition of opium when prepared for consumption. The chief alkaloids of opium are (1) Morphine, (2) Papavarine, (3) Codeine, (4) Narcotine and (5) Thebeine.

47. *Percentage of alkaloids in opium.*—Among all the alkaloids, morphine is the chief alkaloid, because it is the most poisonous. The percentage of morphine in Baroda opium is 5 to 6 per cent., that of Narcotine being the same. The percentage of other alkaloids is very small. Codeine and Narcotine stand next to morphine. In Ghazipur opium, morphine percentage is 8 to 12 and Narcotine 4. The percentage of alkaloids in Malwa and our opium is almost similar.

48. *Effects of opium alkaloids on the nervous system.*—Morphine the most important constituent of opium exerts both depressing and stimulating action on the central nervous system, the former being produced mainly in the brain and the latter in the spinal cord. Papavarine is a weak poison and a light sleep producer. Codeine is similar to morphine, but it is more a stimulant than a depressant. Narcotine though similar in action to Codeine is still less depressant and much less poisonous than either morphine or codeine. Thebeine is the least depressant alkaloid of all.

49. *Bodily condition of opium eaters.*—The constitution of an opium eater is generally rickety. But people suffering from asthma who make use of opium for relief are not necessarily so. Persons who take opium in small doses do not appear to be debilitated in their health. Those who are largely addicted to opium eating and indulge in large doses daily have their brain power affected and are reduced to skeletons. However, such victims to this drug are now-a-days very few, and their number is fast decreasing.

50. *Physiological action of opium alkaloids.*—The characteristic feature of the physiological action of opium alkaloids is their simultaneously depressing and exciting action on the central nervous system. Morphine is more poisonous and produces more depressing action, while Narcotine and Thebeine have a more stimu-

lant action. Baroda opium possessing a lesser percentage of morphine than Ghazipur opium is less harmful to the persons consuming it than Ghazipur opium.

(iv) *The possibility and desirability of effecting a substantial reduction in the amount of opium consumed in the State, the means (increase of selling price or otherwise) by which these could be effected and the financial or other obstacles to such reduction.*

51. *Excessive reduction in consumption during twenty years.*—Statement No. 9 shows the consumption of opium in the Baroda State from the years 1907-08 to 1926-27. In 1907-08 the consumption was 14,123 seers, i.e., nearly 202 chests (70 seers make one chest), while in 1926-27 it has come down to 6,335 seers, i.e., 90 chests. From this it will be seen that the opium consumption in this State is reduced by 55 per cent. during these twenty years, though the population which was then 19,52,692 is now 21,26,522.

52. *The present selling price is already very high.*—From statement No. 11 it will be seen that the issue rate of opium in 1901-02 was Rs. 24-0-0 per seer. At present it is Rs. 75 per seer which means that the issue rate has been more than trebled during these 26 years. It is not possible at present to know at what price opium was being actually sold in 1901-02, but the minimum selling price fixed in this year was Rs. 26-8-0 per seer. As the difference in the actual selling and the cost price covers the vend fee, incidental expenses of the shop and the vendor's profit, it may be said that in 1901-02, opium must have been sold at least at Rs. 30 a seer. The present selling price is Rs. 100 per seer. This shows that the selling price as well has risen more than three times. This selling price is very high. Opium has become twice as dear as silver.

53. *Further increase in issue price will depend upon the policy pursued in the adjoining area.*—It is believed that the present issue price is high enough. But as stated in paragraph 35, His Highness' Government would be quite prepared to consider the possibility of steadily raising the issue price of opium still further whenever practicable. But the execution of this policy will depend upon the simultaneous raising of the prices in the adjoining areas of the Bombay Presidency and other Indian States.

54. *No special efforts needed to reduce consumption.*—The number of opium eaters is decreasing. The general tendency is towards decline of opium consumption. No special efforts are, therefore, needed to reduce it.

55. *Steps that may be taken to reduce consumption.*—The selling price in Baroda and British territory is as high as Rs. 100 per seer, but those in the adjoining Indian States of Gujarat and Kathiawar, as also of Rajputana and Malwa are even lower than Rs. 80 per seer. These lower rates give an incentive to smuggle into Baroda and British territory. The best course to lower and

regulate consumption is to keep uniform minimum selling price in all the Indian States and in British India, say Rs. 100 per seer. The system of farming opium shops in these States should be such as would leave the vendor only a small margin of profit so as not to give him an incentive to sell at a lower price. If this is done, an appreciable reduction will be noticeable in consumption without resorting to any special measures.

POINT No. 3.

Stocks of opium in the State, their quantity, by whom they are held, their value the extent to which they are already under State control and how best they could be disposed of.

56. *Stock of opium in the Factory and sub-depôts.*—Statement No. 10 shows the quantity of opium in stock in the Sidhpur Factory. At present 1,253 maunds of opium, i.e., 716 chests valued at Rs. 9,32,023 are in stock in the Sidhpur Factory. The stock of opium in the sub-depôts is 160 maunds, i.e., 91 chests valued at Rs. 1,30,117. Thus in all 1,413 maunds of opium (807 chests) is in stock in the Factory and the sub-depôts of the total value of Rs. 1,062,140.

57. *Opium is held by the State and is under its control.*—The whole of this stock is held by the State and is under its control.

58. *Stock will last for seven to eight years.*—The annual consumption in the State is nearly 7,000 seers, i.e., 100 chests. Opium more than three years old is issued for sale. Some loss will occur owing to dryage in course of time. To provide against bad seasons, some more stock is required to be kept in the Factory. So the present stock is not very large and will last for seven to eight years for internal consumption. As opium is a State monopoly, in 1914-15 when owing to the sudden stoppage of China export the stock on hand was large, His Highness' Government sold part of it to the British Government even at a loss. The present stock is just sufficient for the ordinary needs of the State for internal consumption.

POINT No. 4.

Smuggling out of the State—Its causes and prevalence, the preventive agencies in existence, their present effectiveness and the possibilities of their improvement.

59. *Baroda opium easily distinguishable from Ghazipur opium.*—Baroda opium is different in form, colour and smell from the Ghazipur opium, and as such is easily distinguishable from the latter. Baroda opium is in the shape of balls, while Ghazipur opium is in the form of bricks. The colour of the former is brownish, while that of the latter is black. The reason for this

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difference in colour is that Baroda opium becomes dry naturally in course of time, while Ghazipur opium is sun-dried. This makes it blackish in colour and gives it the smell of a burnt substance. The whole ball of Baroda opium is completely dry, while the pith of a brick of Ghazipur opium remains moist, because the heat of the Sun does not reach the innermost portion.

60. *No smuggling of Baroda opium in British territory and Indian States.*—The selling prices of opium in Baroda territory and the adjoining British districts are similar, and consequently Baroda opium is not smuggled into British territory. No complaint has ever been made by the British Government of the existence of such smuggling. Baroda opium is not likewise smuggled into the adjoining Indian States because the selling prices in Baroda territory are higher than those prevailing in those States.

61. *Large preventive staff is maintained to prevent opium smuggling.*—The work of preventing the smuggling of opium in and outside the State is done by the Excise Preventive Staff. The Baroda Government maintain a large preventive staff just like the Bombay Government. There are four District Superintendents of Excise, one for each district, 35 Taluka Inspectors, 12 Sub-Inspectors, 180 Preventive Jamadars and 369 Preventive peons in the Excise Staff. The annual expense on their account is Rs. 1,86,069. The present staff is as efficient as is required.

POINT No. 5.

Purchase from Ghazipur—The advisability and practicability of the purchase of opium by the State from Ghazipur at cost price. How far the inhabitants of the State would be prepared to consume Ghazipur opium and whether Ghazipur can produce opium suited to their taste and needs.

62. *Disadvantages of importing opium from Ghazipur.*—As already stated, the soil of the Kadi District is well suited for cultivating poppy, and it is more profitable for the cultivators to grow poppy than any other crops. To discontinue poppy cultivation altogether involves the surrender of an important sovereign right of the State and there is in addition the loss to the cultivators in their income and to the State in revenue. There will be an instantaneous loss of Rs. 1,10,000 a year in the opium profits of the State. This loss will go on increasing every time the cost price of Ghazipur opium is increased by the Government of India.

63. *Ghazipur opium will not be to the taste of the Baroda people.*—The people of the Baroda State from generations past have been used to Baroda opium, which is oily and dry. It has already been mentioned that morphine is the most poisonous alkaloid in opium. Its percentage is greater in Ghazipur opium than in Baroda opium, and consequently the former is more deleterious to health than the latter.

64. *Ghazipur will not be able to produce opium suited to the taste of Baroda people.*—There is a great deal of difference in soil and atmospheric effects and the method of collecting juice in Gujerat and the United Provinces. In Gujerat, the poppy juice is extracted with the help of sesamum oil, while in Ghazipur it is done without the help of oil. Baroda opium is manufactured by manual process and is allowed to dry in the natural course of time, while in Ghazipur it is prepared into bricks by moulds and is extracted with the help of sesamum oil, while in Ghazipur consumed tastes like a burnt substance.

65. *Not advisable and practicable to import Ghazipur opium.*—For the reasons stated above, it is neither practicable nor advisable in the interests of the cultivators, of the opium consumers as well as of the State to stop the poppy cultivation in the Baroda State and import opium from Ghazipur.

POINT No. 6.

The policy suggested by the Government of India—The advisability and practicability of adopting the policy suggested by the Government of India, namely, discontinuance of cultivation in the State, the purchase of opium by the State from Ghazipur at cost price and the adoption by the State of the policy of maximum revenue from minimum consumption, so as ultimately to raise the selling price to a level with that in the adjoining British districts, thereby removing the incentive to smuggling and reducing consumption.

66. *Policy followed by Baroda is the same as that of Government of India.*—This does not at all apply to Baroda as the policy followed by it is the same in all respects as that of the Government of India.

POINT No. 7.

General—Any other subject relevant to the matter mentioned above.

67. *Right of Baroda to sow poppy is recognised by the British Government.*—The Baroda Government have been cultivating opium in their territory from the earliest times and they cannot be asked to surrender this valued sovereign right especially when they have assimilated their opium administration with that of British India since 1878. As the late Raja Sir T. Madhava Rao in his letter No. 2562, dated the 9th March 1878, said "Baroda Government always gave the strictest engagements and enforcements of all their utmost efforts to carry out cordially, so there can be no withdrawal from or interference with the treaty, and any attempts to prohibit cultivation is obviously most unjustifiable."

68. *Action taken to fulfil the Articles of Hague Convention.* The Baroda Government have carried out most faithfully the agreement of 1878 and the British Government never had an occasion to make any complaint upto now. When the Government of India ratified the Hague Opium Convention of 1912 on behalf of themselves and of the Indian States and requested His Highness Government along with other Indian States to co-operate in the matter and reframe their existing rules relating to opium and other dangerous drugs with a view to give effect to the Article of the Convention, His Highness' Government readily accepted this proposal and re-enacted their Opium and Dangerous Drugs Act and framed Rules thereunder in 1923 as suggested by the late Sir Herbert Cox, the Excise Commissioner for Central India. These laws are similar to those prevailing under the British Provincial Governments and are strictly enforced. Their provisions are quite sufficient to meet the requirements of the Opium Convention. Copies of these were sent to the Government of India and the Secretary of the Hague Convention for information.

69. *Baroda should be given a share in the export of opium to non-China ports and Baroda opium should be supplied to the States of Mahi Kantha, Rewa Kantha, etc.*—The resources of the Indian States are limited and no avenues are open to them to make good the loss of revenue sustained from one source, from other sources which the British Government have. Baroda has already suffered heavy loss in revenue owing to the cessation of export of Baroda opium to China. With a view to meet this loss partially, His Highness' Government had made repeated representations to the Government of India to give some share to Baroda in the export of Indian opium to non-China ports and allow Baroda opium to be supplied to the licensed vendors of the States of the Kathiawar, Palanpur, Mahi Kantha and Rewa Kantha Agencies, which are tributaries to Baroda.

70. *Baroda opium should be supplied to the licensed vendors of British Gujerat.*—As shown above, the cost price of Baroda opium is lower than Ghazipur opium. Baroda opium is also suited to the taste of the people of Gujerat. The consumption of opium in the five districts of Gujerat is 8,383 seers annually. If the Government of India would ask the Bombay Government to supply Baroda opium to the retail vendors of British Gujerat, the profits of the Bombay Government will be increased (Rs. 30) by at least Rs. 1,00,000 a year [Ghazipur cost price (Rs. 15) minus Baroda cost price Rs. 15, i.e., a profit of Rs. 15 per seer.]

STATEMENT No. 1.

Showing area under poppy cultivation during the period from 1876 to 1927.

1876-77
1877-78
1878-79

Acres.
8,301

Statement showing area under poppy cultivation during the period
from 1876 to 1927—contd.

	Acres.
1879-80	5,936
1880-81	22,180
1881-82	17,579
1882-83	17,372
1883-84	334
1884-85	564
1885-86	6,294
1886-87	2,554
1887-88	3,608
1888-89	3,416
1889-90	7,704
1890-91	6,668
1891-92	15,441
1892-93	5,714
1893-94	7,527
1894-95	6,645
1895-96	7,648
1896-97	6,346
1897-98	4,312
1898-99	1,769
1899-1900	3
1900-01	6,974
1901-02	11,904
1902-03	5,576
1903-04	18,653
1904-05	12,272
1905-06	20,446
1906-07	10,987
1907-08	2,744
1908-09	545
1909-10	5,425
1910-11	11,868
1911-12	15,924
1912-13	21,893
1913-14	516
1914-15	573
1915-16	577
1916-17	1,722
1917-18	2,295
1918-19	312
1919-20	1,001
1920-21	4,072
1921-22	4,593
1922-23	1,435
1923-24	1,053
1924-25	541
1925-26	141
1926-27	424

STATEMENT No. 2.

Statement showing the estimated income and expenses of a cultivator from one acre of land cultivated with poppy as compared with other irrigated and un-irrigated crops.
(The figures of weight are in Bengal seers and maunds.)

Crop.	Income.		Expenses.		Net income.
	Item.	Amount.	Item.	Amount.	
1	2	3	4	5	6
Poppy	Poppy juice, 7 seers, at Rs. 10 per seer.	Rs. A. P. 70 0 0	Seeds	Rs. A. P. 2 0 0	Rs. A. P. 89 0 0
	Poppy seeds, 8 maunds, at Rs. 8 per maund.	64 0 0	Labour, lancing, etc	25 0 0	
			Watering 7 to 8	10 0 0	
			Manuring	8 0 0	
Wheat		134 0 0	Other irrigated crops.	45 0 0	53 0 0
	Wheat, 18 maunds, at Rs. 5 per maund.	90 0 0	Seeds 3 maunds	15 0 0	
			Manure	8 0 0	
	Hay (Bhusa)	8 0 0	Watering 10 to 15	15 0 0	
Rape-seed		98 0 0	Labour	6 0 0	50 0 0
	Rape seed, 10 maunds, at Rs. 7 per maund.	70 0 0	Seeds	43 0 0	
			Manure	2 0 0	
			Watering	5 0 0	
			Labour	8 0 0	
				20 0 0	

STATEMENT No 2—*contd.*

23

Crop.	Income.		Expenses.		Net income.
	Item.	Amount.	Item.	Amount.	
1	2	3	4	5	6
		Rs A. P.		Rs A. P.	Rs. A. P.
Cotton	Cotton, 7 maunds, at Rs 12 per maund	84 0 0	Non-irrigated Crops		63 0 0
			Seeds	1 0 0	
			Labour	15 0 0	
			Manure	5 0 0	
				21 0 0	
Bajra	Bajra, 10 maunds, at Rs. 4 per maund	40 0 0	Seeds	2 0 0	40 0 0
	Grass	50 0 0	Manure	10 0 0	
			Labour	8 0 0	
		60 0 0		20 0 0	
Juar	Juar, 10 maunds, at Rs 4 per maund	40 0 0	Seeds	1 8 0	60 8 0
	Grass	26 0 0	Manure	8 0 0	
			Labour	5 0 0	
		66 0 0		14 8 0	
Tuver (Pulses)	Tuver, 20 maunds, at Rs. 4 per maund	80 0 0	Seeds	2 0 0	65 0 0
			Manure	8 0 0	
			Labour	5 0 0	
				15 0 0	

STATEMENT No. 3.

Statement showing the revenue derived from opium consumption in the State during the last ten years.

Year. 1	Opium consumed. 2	Revenue. 3	Revenue per seer. 4
	Pucca seers.	Rs.	Rs.
1917-18	11,844	5,20,753	47
1918-19	11,244	6,25,108	47
1919-20	9,860	5,38,407	58
1920-21	8,805	5,54,955	63
1921-22	7,412	6,75,702	78
1922-23	7,611	6,11,440	84
1923-24	6,928	6,16,718	89
1924-25	7,261	6,47,056	89
1925-26	7,186	6,40,051	89
1926-27	6,837	5,60,824	89
TOTAL	83,495	58,04,925	...
Average	8,349	5,80,492	70

STATEMENT No. 4.

Income and profits of the Baroda Government from the export of opium to China.

Year. 1	Opium chests exported. 2	Gross Revenue. 3	Net Revenue. 4
		Rs.	Rs.
1903-04	825	11,59,838	2,29,735
1904-05	800	12,98,250	3,23,621
1905-06	1,399	20,79,151	4,75,107
1906-07	2,139	28,77,789	4,16,277
1907-08	1,665	21,64,687	2,66,234
1908-09	628	9,13,099	1,87,260
1909-10	604	12,00,935	4,92,066
1910-11	330	8,60,875	4,78,703
1911-12	300	14,45,075	10,84,318
1912-13	994	34,26,775	4,38,956
TOTAL	9,654	1,74,26,474	43,93,227
Average	965	17,42,617	4,39,323

STATEMENT No. 5.

Statement showing the proportion which opium revenue bore to the total revenue of the State.

Year 1	Opium revenue 2	Total revenue of the State 3	Proportion 4
	Rs.	Rs.	
1901-02	11,11,313	1,06,37,503	1 to 11
1902-03	10,25,659	1,47,95,327	1 to 14
1903-04	14,86,696	1,58,13,714	1 to 10
1904-05	16,59,384	1,13,80,802	1 to 7
1905-06	24,08,198	1,76,24,651	1 to 7
1906-07	35,83,529	1,89,69,698	1 to 5
1907-08	25,55,813	1,58,19,417	1 to 7
1908-09	13,12,387	1,76,04,067	1 to 13
1909-10	16,28,584	1,80,36,694	1 to 11
1910-11	13,00,477	1,71,72,848	1 to 13
1911-12	18,80,203	1,44,49,253	1 to 8
1912-13	40,87,614	2,21,10,441	1 to 6
1913-14	23,41,630	2,04,70,626	1 to 9
1914-15	15,10,529	1,92,60,289	1 to 13
1915-16	16,73,447	1,90,90,540	1 to 11
1916-17	5,84,503	2,02,11,079	1 to 38
1917-18	5,33,765	2,03,86,051	1 to 38
1918-19	5,29,333	1,78,82,358	1 to 34
1919-20	11,70,179	2,43,64,279	1 to 20
1920-21	6,31,726	2,08,55,605	1 to 33
1921-22	5,75,702	2,12,59,229	1 to 37
1922-23	6,17,844	2,21,26,491	1 to 36
1923-24	6,17,524	2,18,61,360	1 to 35
1924-25	6,47,053	2,44,75,694	1 to 38
1925-26	6,39,932	2,37,06,786	1 to 37
1926-27	5,60,734	2,51,62,801	1 to 45

STATEMENT No. 6.

Statement showing the expenditure of the Sidhpur Opium Factory (except the price paid for the juice) for the last seven years.

Year.	Expenditure of the Sidhpur Opium Factory (except the price paid for the juice).	
	Rs.	
1920-21	.	9,323
1921-22	.	11,222
1922-23	.	11,069
1923-24	.	8,620
1924-25	.	7,835
1925-26	.	7,403
1926-27	.	8,942

EXHIBIT No. 7.

PERMIT FOR POPPY CULTIVATION.

Form No. 4.

(Prescribed by Rule 12.)

Permit No. _____ for the cultivation of the poppy
 cultivator of village _____ Taluka _____ is
 hereby granted permission to cultivate the poppy in the land specified at the back of this permit in the year 19____ under the following conditions:—

1. He will abide by the provisions of the Opium and Intoxicating Drugs Act, and to the Rules and notifications already in force or hereafter notified thereunder.
2. The poppy is to be cultivated only in the land and in the area for which the permission is given. It should not be cultivated in a greater or less area or in any survey number other than that specified in this permit without the previous permission of the Opium Superintendent.
3. Application should be made to the Opium Superintendent for cancelling the permit in case the whole or any part of the land covered by this permit remains uncultivated with the poppy. The Opium Superintendent should be informed immediately if the crop is damaged by frost, etc., or if the seed fails to germinate.
4. No admixture of any kind should be made in the poppy juice at the time of and after collecting it, nor shall

leaves of the poppy plant, petals of poppy flowers or poppy seeds be allowed to remain in the juice. Only the necessary quantity of opium or sesamum oil should be used in extracting the juice, and the juice should not be saturated with oil. In case of non-compliance with the foregoing injunction, the juice will be confiscated to Government.

5. If poppy is not cultivated after taking tagavi, or is cultivated in a smaller area than that for which tagavi is advanced, the amount of tagavi corresponding to the area left uncultivated shall be paid back to Government. Similarly, if the seed fails to germinate, the amount of Tagavi should be repaid immediately. The amount of tagavi advanced will be deducted from the price of the juice at the time of payment for the latter. If the price to be paid falls short of the tagavi advanced, the outstanding tagavi should be repaid. If the amount of tagavi is not repaid as above, interest will be charged at 7 per cent. per annum from the date of the advance and the tagavi shall be recovered along with interest according to the rules in force for the recovery of land revenue.
6. No part of the juice produced shall be kept back by the cultivator for his use or shall be made use of in any other way. All the juice produced in the land under poppy cultivation shall be delivered to the officer appointed by Government at the place and on the date previously notified by him. The juice will be classified by him according to its quality, and the price thereof paid by him to the cultivator.

Opium Superintendent.

Reverse of the permit.

Particulars of the field in which permission is given to cultivate the poppy.	Survey No.	1
	Whole or part of the Survey No.	2
3 Area of the Survey No.		
4 Amount of Tagavi given.		
5 Amount refunded previous to weighing of the juice.		
6 Basin No.		
7 Class of the juice.		
8 Weight of the juice.		
9 Rate at which payment is due.		
10 Price of the juice.		
11 Amount of Tagavi to be recovered at the time of weighing.		
12 Payment made in cash after deducting Tagavi.		
13 Areas of Tagavi remaining to be recovered.		
14 Remarks.		

STATEMENT No 8.

Statement showing the detection of offences wherein opium was smuggled into Baroda Territory from outside the State during the last ten years.

Year.	Total number of offences detected	Offences in which Opium is smuggled from outside.	
		No of offences	Opium con- fiscated
1	2	3	4
			Seers Tolas
1917-18	4	1	0 77
1918-19	15	14	1 63
1919-20	18	13	1 27
1920-21	8	4	0 42
1921-22	26	24	7 24
1922-23	27	20	2 10
1923-24	12	11	1 38
1924-25	23	22	2 76
1925-26	23	23	0 1
1926-27	18	16	0 52
Total	174	148	90 16

STATEMENT No. 9.

Statement showing the consumption of opium in the Baroda State from the year 1907-08 to 1926-27

Year.	Opium consumed.
1	2
	Bongal seers
1907-08	14,123
1908-09	14,008
1909-10	14,096
1910-11	14,275
1911-12	12,433
1912-13	12,965
1913-14	14,045
1914-15	13,936
1915-16	12,430
1916-17	12,286
1917-18	11,344
1918-19	11,241
1919-20	9,369
1920-21	8,806
1921-22	7,412
1922-23	7,611
1923-24	6,929
1924-25	7,261
1925-26	7,168
1926-27	6,337

STATEMENT No. 10.

Statement showing the present stock of opium in the Sidhpur Factory and the cost price of opium.

The year in which crude opium was purchased, i.e., opium of the year.	Stock of opium.			Number of balls.	Total expenses including the price of the juice.	Cost price per seer.
1	2			3	4	5
	Mds. Seers. Tolns.				Ps. n. p.	Rs. n. p.
1921	14	20	0	1,467	11,719 12 8	20 3 4
1922	689	10	0	74,465	5,58,634 8 3	20 4 2
1923	287	19	0	31,205	2,09,577 1 7	18 3 7
1924	130	14	0	13,786	82,716 13 0	15 13 10
1925	76	33	40	7,800	42,432 0 5	13 15 10
1926	6	29	0	647	3,118 10 2	11 9 6
1927	49	30	0	4,271	23,824 6 10	11 15 7
Total	1,235	35	40	1,38,641	9,32,023 10 11	...

STATEMENT No. 11.

Statement showing the issue rate and the selling price of opium from 1901-02 to 1926-27.

Year.	Issue rate per seer.			Minimum selling price per seer.		
1	2			3		
	Rs.	A.	P.	Rs.	A.	P.
1901-02	24	0	0	26	8	0
1902-03	24	0	0	26	8	0
1903-04	26	0	0	28	0	0
1904-05	32	0	0	34	8	0
1905-06	29	0	0	31	8	0
1906-07	27	0	0	29	8	0
1907-08	27	0	0	29	8	0
1908-09	27	0	0	29	8	0
1909-10	26	0	0	28	8	0
1910-11	27	0	0	29	8	0
1911-12	27	0	0	29	8	0
1912-13	27	0	0	29	8	0
1913-14	27	0	0	32	0	0
1914-15	27	0	0	32	0	0
1915-16	27	0	0	32	0	0
1916-17	27	0	0	32	0	0
1917-18	35	0	0	37	8	0
1918-19	45	0	0	47	8	0
1919-20	45	0	0	47	8	0
1920-21	45	0	0	47	8	0
1921-22	60	0	0	62	8	0
1922-23	65	0	0	67	8	0
1923-24	75	0	0	100	0	0
1924-25	75	0	0	100	0	0
1925-26	75	0	0	100	0	0
1926-27	75	0	0	100	0	0

* These are the actual selling prices.

Comparative Statement of opium consumption in the talukas of the Kadi District

Serial No.	Taluka.	Population	Consumption.					
			1924-25		1925-26		1926-1927	
			Consumption.	Consumption per head.	Consumption.	Consumption per head.	Consumption.	Consumption per head.
1	2	3	4	5	6	7	8	9
1	Sidhpur	96,924	Srs tolas 108-58	Tolas -9	Srs tolas 109-13	Tolas -9	Srs tolas 116-31	Tolas 10
2	Kharaln	76,262	62-14	07	66-47	-07	73-58	08
3	Yanagar	65,089	48-37	-06	52-10	-06	56-12	07
4	Mehsana	80,546	100-8	-11	93-34	09	96-07	-10
5	Vijapur	117,482	119-77	-08	124-49	-08	121-36	-03
6	Kadi	86,716	137-25	-13	131-48	-12	104-68	-10
7	Kalol	89,059	138-67	-12	140-10	-13	123-55	-11
8	Patan	111,648	86-65	-06	118-75	09	49-0	-09
9	Chavasma	81,405	86-62	-09	66-13	-07	67-34	-07
10	Hardi	19,226	34-42	-14	35-31	-15	43-77	-18
11	Debgam	55,485	174-9	-25	172-3	-26	189-27	-23
12	Attarsumba	20,728	25-44	-10	22-78	09	17-36	07
	Total	900,578	1,124-58	-10	1,133-45	-10	1,102-19	-10

REPORT FOR THE GWALIOR STATE.

Rao Sahib L. B. MULYE, Member for Education, is the Committee Member representing the State.

A Note on the Question of Opium having been placed before the Committee by Mr. Mulye, this has been discussed, and the following unanimous conclusions are recorded by the Committee:—

I.—OLD STOCKS OF OPIUM.

The stocks of opium in the State amount to 942 maunds 32 seers belonging to merchants in the State, and 226 maunds 9 seers, the property of the State stored in the State warehouses.

The opium belonging to merchants is almost entirely stocked at Gangapur, a small portion of Gwalior territory surrounded by the territory of the Mewar State. It is understood that the sale of the Gangapur stocks, or their transfer elsewhere, has hitherto been prevented by the claim of the Mewar Darbar to levy an export duty of Rs. 100 per chest on this opium on its removal from Gangapur. The Gwalior Government is anxious that the merchants' stocks should be brought under control, and is prepared at the earliest possible opportunity to cancel all wholesale dealers' licenses and to restrict all dealings in the future to State agency.

The annual consumption in the State, on the average of the past five years, is 321 maunds 12 seers, equivalent to a consumption of 40.2 seers per 10,000 of population. The stocks in possession of the Darbar thus represent nearly 9 months' supply. At present the opium required for internal consumption is obtained partly from crude opium produced in the State and partly from purchases from outside of crude and hard opium. The Gwalior Government is prepared to support so far as may be practicable any scheme having for its object the purchase and consumption of the old stocks of opium in Central India and Rajputana. It is ready, in the event of old stocks being purchased from a central fund and collected, to purchase from these stocks the opium required for internal consumption in the State, provided first that the cost of the opium is not in excess of the local cost of production, secondly that the Darbar retains the right to produce by cultivation the opium required for internal consumption in the event of the present opium production for the Government of India being seriously diminished, and thirdly that the Government of India accept and adopt the formula adumbrated hereafter under paragraph III.

II.—PRODUCTION OF OPIUM IN THE STATE.

The present production is mainly for the opium required for delivery to the Government of India, amounting under the present agreement to 2,500 maunds annually. Opium produced in excess of the requirement of Government is retained for manufacture into excise opium. On opium sent to Ghazipur the State obtains a revenue of Rs. 3 per seer, payment being made to the cultivators

at a rate less by Rs. 3 per seer than the rate received from Government. Consequently on a full delivery of 2,500 maunds the Darbar's profit would be Rs. 3,00,000. Since the year 1913 no extra assessment has been levied on land cultivated with the poppy. Prior to that year, when the poppy was cultivated for the China trade, the assessment on poppy lands was more by Rs. 16 per acre than the assessment on other *adan* lands. The closing of the China trade caused the Gwalior Government to forego this source of revenue, which was not reintroduced when cultivation of the poppy was again started a few years later, under the agreement with Government. At the present time an area of about 9,000 acres is estimated to be required to produce 2,500 maunds for delivery to Government. If the extra assessment on poppy land were still in force the State would thus obtain additional land revenue amounting at Rs. 16 per acre to Rs. 1,44,000 annually, out of which 30 per cent. would go to the Zamindars, and 70 per cent. to the Darbar. Against this loss, so far as the Darbar is concerned, may probably be set a part of the revenue of Rs. 3 per seer obtained under the present system. The Zamindars, however, have nothing to set off against the loss of the special rate on poppy lands due to the Darbar's abolition of this rate in 1913.

The Darbar also realises an export duty on poppy seed, which has amounted on the average of the past two years to Rs. 14,050.

If opium production ceased the Darbar would thus sustain an immediate sacrifice of revenue estimated at Rs. 3,14,050.

Against this loss must, however, be set the saving in establishment charges, amounting on the figures of the last year to Rs. 33,018, and also the increased revenue from the sale of opium in State shops to be expected if cultivation ceased, estimated to be Rs. 15,000 annually.

The net loss to the Darbar due to discontinuing cultivation for Government may thus be estimated at Rs. 2,66,032, irrespective of the special land revenue foregone in 1913. The total taxation revenue of the State in 1924-25 was Rs. 1,69,49,500. The estimated immediate loss of revenue amounts to 1.6 per cent. of the total revenue.

The discontinuance of poppy cultivation would also undoubtedly cause a serious loss to the cultivators. The extent to which this loss could be made good by the introduction of equally paying substitute crops or improved agricultural methods is a question on which the Committee is not prepared at present to express a definite opinion. The question is reserved for further consideration at a future date.

III.—FINAL ARRANGEMENTS FOR SUPPLY OF OPIUM FOR INTERNAL CONSUMPTION IN THE STATES OF CENTRAL INDIA AND RAJPUTANA.

When the old stocks of opium in Central India and Rajputana have been absorbed it will be necessary for the opium required for

internal consumption in the States to be provided by cultivation. The Committee has discussed in this connection the proposal of the Government of India that the States should ultimately obtain their supplies of opium at cost price from the Ghazipur Factory.

The Gwalior Government consider that such States as possess an efficient organization for the manufacture and control of opium should not be called upon to obtain opium at a high cost from Ghazipur but should manufacture it for themselves. They further consider that an equitable solution of the problem of the final arrangements for opium production in India would be found in a settlement under which the opium production required for the internal consumption of the whole of India, and for export out of India so long as certified export continues, should be divided between British India and the present producing States in proportion roughly to the present areas cultivated with poppy. The producing States, like British India, would send all the opium produced (except that required for their own internal consumption) to the Ghazipur Factory for manufacture and distribution. Payment would be made to the States at the rate paid from time to time by the Government of India to the United Provinces cultivators. Any market for medicinal derivatives of Indian opium would be divided between British India and the States in the same way. The Gwalior Government advance this proposal with the full belief that it will receive from the Government of India the sympathetic consideration which the past sacrifices of the States in connection with opium entitle them to claim.

IV.—THE POSSIBILITY OF ENHANCING TAXATION UPON OPIUM AND THE PROBABLE FINANCIAL EFFECT OF THIS POLICY.

The Gwalior Government fully endorses, and in fact already bases its excise policy upon, the criterion of maximum revenue from minimum consumption. It has been impossible hitherto to give full scope to this policy on account of the existence of low selling rates of opium in territories bordering on those of Gwalior. Subject to the co-operation of the neighbouring States the Gwalior Government is ready to increase its taxation upon opium by gradual stages, consistent with the economic condition of its subjects, to a degree corresponding as nearly as circumstances permit with the taxation in force in British India.

The average annual consumption in the State at present is 321 maunds 12 seers representing approximately a consumption of 40 seers per 10,000 of population. The revenue derived from this taxation is Rs. 2,08,539 from duty and license fee and Rs. 1,41,580 realised as the difference between the cost price of the opium and the warehouse price of Rs. 21-8 per seer. The present taxation thus amounts to Rs. 3,50,119 or nearly Rs. 27 per seer of opium consumed. The present retail sale price varies from Rs. 35 to Rs. 55. On the assumption that the retail selling price could ultimately be raised to Rs. 100 per seer, and that this would reduce consumption by one-half to an average of 20 seers per 10,000, and

on the assumption that the State's profit from the retail selling price of Rs 100 would amount to Rs 70 per seer, the revenue realised ' ' ' ' 4½ lakhs There would thus be a g Rs 1 lakh It may be noted that c ost of a seer of opium would increa oximately Rs 32,000

J A POPE, *President*
 AZIZUDDIN AHMED,
 G. HENDERSON, } *Members*
 L B MULYE, }

Dated the 31st March, 1928.

Accompaniments to Gwalior State Report.

Note on the question of Opium

At the opening of the Indian States Opium Conference on 28th May 1927, His Excellency the Viceroy was pleased to refer to the international undertakings of India in regard to opium in the following terms —

“The Treaty of Versailles, by which the League of Nations is brought into being and which automatically involves the ratification of the Hague Opium Convention, was as you remember, signed by the representatives of India including a Ruling Prince, the Maharaja of Bikaner, and thereby India, and not merely British India, became a party to this Convention India is thus pledged to the ultimate suppression of opium smoling to the limitation and control of the export of opium so that none may reach other countries without the consent of the respective Governments, and to prevent the smuggling of opium to the Far East

“By her ratification of the Geneva Dangerous Drugs Convention and the Opium Agreement of 1925 India has further pledged herself to take effective measures to prevent the illicit traffic in raw opium from presenting a serious obstacle to the suppression of opium smoking a habit, which though rare in India is sadly prevalent further East A Commission of the League of Nations will visit India and other producing countries in the course of the next few years in order to determine whether this has been done The first problem that we have to consider is therefore, international

2 In the same speech His Excellency referred to some of the handicaps that the Government of India suffered from in effectively discharging their international obligations in this matter The existence of enormous stocks of opium for which there is at present no legitimate outlet, extensive cultivation of poppy which is retarding the absorption of these stocks, internal smuggling due to immense disparity between the selling prices of opium in the States and in British India respectively and the prevalence of a high rate

of consumption in some of the States, were mentioned as some of the outstanding factors that severely handicapped the Government in this respect. Another point mentioned by His Excellency as requiring consideration was the effect of any great contraction of opium cultivation on the farmers of the States, and the feasibility or otherwise of finding practicable and profitable crops to replace poppy. In conclusion His Excellency observed "I fully realise that before any policy can be decided on, still more before a single step forward can be taken, the fullest investigation must be made of all aspects of the subject, among which its bearing upon the finances of the Durbars is not the least important." The above are, therefore, the salient points that the present Committee is called upon to investigate.

3. Apart from the technical doubt involved in regard to the representative character of the Indian Ruling Prince, who happened to be associated with the signing of the Treaty of Versailles or the ratification of the Geneva Convention and the Opium Agreement, the Gwalior Durbar regard it as their duty to help the Imperial Government in discharging their international obligations in this matter on humanitarian considerations alone, and it is my pleasant duty to give an assurance on behalf of the Gwalior Durbar that they would willingly co-operate with the Imperial Government in helping to suppress the great evil of opium smoking in foreign countries. There is, however, nothing inconsistent with this assurance in the Gwalior Durbar's desire to secure fair and equitable treatment of their own subjects and regard for their own financial interests, in any new adjustments that may be necessitated by the effective execution of Imperial obligations in this behalf. This involves weighty considerations, which demand careful assessment now by the Committee and eventually by the Government of India.

4. My object in laying this Note before the Opium Committee is simply to point out some of these considerations and to assist the Committee in the prescribed investigation on practical grounds. If an attempt has been made herein to pass in brief review the history of opium cultivation and trade in this State, the intention is not to revive old controversies but to present the subject in its correct perspective, by showing that the present is inseparable from the past. Exclusive consideration of the present position of poppy cultivation in this State must lead to unsatisfactory because erroneous conclusions.

5. For a correct appreciation of the present position, the following facts require to be borne in mind:—

(1) Malwa has been growing opium and carrying on trade in that commodity without any restriction whatsoever since a time considerably antecedent to the establishment of British rule in India.

(2) When the East India Company acquired political supremacy in Bengal, Bihar and Benares and took the trade of

those provinces into their own hands, they first prohibited in 1803 A.D. the cultivation of poppy throughout the Company's territories in the Bombay Presidency. This was done in the interest of the Bengal monopoly opium. The Company's agents later decided in 1823 to impose direct restrictions on the production of opium in Malwa. To that end, they endeavoured to negotiate treaties containing provisions in accordance with that aim. Maharaja Scindia was one of the Princes who declined to enter into such an arrangement.' (Report of the Royal Commission on Opium, para. 94.)

- (3) In 1830 however the Government of India had formally to recognize the Malwa opium trade and to allow the direct passage of Malwa opium to Bombay for export by sea under the system of passes and on payment of a fee or duty. This fee was fixed at Rs. 175 per chest, and it was justified on the sole ground that its payment coupled with the advantage of the direct route through British India, would entail the same expense as the conveyance of opium by the cheapest of the more circuitous routes through the territories of States. The imposition of this duty was then not opposed by the States, because it made no difference to their transit charges. They merely paid for the right of way.
- (4) This original character of transit duty seems to have been overlooked when the pass system was afterwards turned into an instrument of raising revenue, and the policy was introduced of taking the highest duty that the trade, in the opinion of British authorities, could legitimately bear. The factor which determined the legitimacy of duty came to be deduced from the prices realised for Bengal opium at the Calcutta sales. It would be difficult to maintain that this duty did not thus become a direct tax upon Malwa opium while in transit to foreign countries through British territory: while it also served the purpose of securing the highest price to Government for Bengal opium. The duty was the less justified, because entirely appropriated by the Government. It could not be a tax on the produce of the States nor transit duty, for already in 1878 the Government had induced the Malwa States to abolish all transit duties in their own territories. To what extent this duty tended to reduce the margin of profit on Malwa opium and thus operated as the first step towards the extinction of trade in that commodity by Gwalior subjects, is easily imaginable.
- (5) From 1908 onwards both the cultivation and trade of opium was progressively but adversely affected by the China Convention, culminating in 1913 in the total abolition of

opium exports to China and the practical extinction of the Malwa opium trade.

- (6) The claim of the Durbar to a proportionate share in the non-China markets was recognized by the Government of India in 1910, who further decided in 1911 that all opium required by the Bombay Government for excise purposes would, in future, be purchased in Malwa. The Durbar were however informed in 1912 that "in view of the administrative and preventive difficulties connected with the purchase and use of Malwa opium for excise purposes in the Bombay Presidency and Coorg, the Government of India have decided to supply these places with Bengal opium with effect from the 1st of April 1912."
- (7) In consequence of this curtailment of the markets so far open to Malwa opium, the Gwalior Durbar pressed for an equitable division of the whole consumption of British India between the Malwa and the Bengal opium, and urged that in consequence of the disabilities imposed in succession upon the trade of their produce, free access to the non-China ports, in addition to a share in the consumption of British India, was the least to which they were entitled as the State with the largest stake in opium trade. But in 1915 they were informed that it had been "finally decided that it was impracticable to offer facilities for the sale of Malwa opium in foreign markets..."
- (8) The Darbar were able to induce the Government of India to purchase the stocks of Malwa opium held by their merchants, which had accumulated due to restrictions on their export. But some of the stocks so offered were rejected as unfit for use. Having exhausted every possibility of an outlet for this rejected opium, the Durbar proposed in 1913 to open, on a small scale, a factory for the extraction of morphia, and invited the views of the Excise Commissioner for Central India on this proposal. On this Mr. Cox, (*vide* letter, dated 17th February 1915), among his other observations regarding the feasibility of export of Indian opium in its crude form for utilisation in America in the production of alkaloids, suggested that the Durbar might consult Professor Dunstan as regards the morphia contents of Malwa opium and communicate the result to the Government of India. Professor Dunstan reported that this opium would be quite suitable for the profitable extraction of alkaloids either in Europe or in India. The Government of India were duly informed of this opinion, but no reply was vouchsafed. Two years later His Highness, in the interest of stock-holders, personally took up the matter again with Mr. Cox and put forward the modest proposition that the morphia turned out at the Durbar's

factory may be bought by Government at cost price *plus* annas two in the rupee for the State. 'Mr. Cox (*vide* letter, dated 30th July 1917) informed that the Government were not in favour of the Durbar's proposal.

(9) But as a result of all these representations of the Durbar and as a measure of partial relief to their cultivators, the Government of India proposed, in the year 1916, to purchase annually from Malwa States, a part of opium required for the Ghazipur Factory. The Durbar agreed and are even now supplying the stipulated quantity of opium under the terms of an agreement, which is subject to periodical modifications or revision.

(10) This concession, of course, does not make up for the immense sacrifices of this State, nor can it be regarded as a substitute for the protection that the Durbar have all along sought for their opium. But even this small concession the Government do not seem inclined to continue much longer, for the Finance Member of the Government of India, probably in oblivion of antecedent history generally and of the genesis of the present arrangement in particular, frankly stated at the Conference held in May last, "that the States cannot count on indefinite continuance of these purchases of Malwa opium by the Government for excise purposes, so that drastic reduction of cultivation is not merely a desirable consummation, but an imperative necessity."

6. The foregoing narrative of poppy cultivation and opium trade of Malwa vividly reveals how what was once the staple crop and the principal trade of Malwa, has to-day been reduced, the first to insignificant acreage and the second to extinction. Had this come about from natural causes, *viz.*, abundance of supply or shrinkage of demand or from free and open competition, it would have been possible for the State and its subjects to reconcile themselves to their present fate. But the pity of it is that this has not been the case. If it had been, the position would have been reversed, and the Finance Member would not have had to refer to "the gap between our cost price and the price at which opium is produced in the States." What is now left to the States of Malwa is little more than freedom to produce opium for their own consumption and the theoretical right to produce as much more as they like. The proposed measure seems to aim at taking away even this freedom and this right, without any compensation.

7. The question, therefore, arises if this measure is really unavoidable. Huge stocks and fresh production combining to retard absorption of the stocks and disparity in the prices have been urged as serious obstacles in the way of effective measures for the prevention of opium smuggling; and the scheme commended for acceptance by the States is the remedy proposed for this evil. But there are now neither 'huge' stocks in this State nor any considerable production in excess of our requirements. The Gwalior State was the

first to try and get rid of old stocks; and if the old stocks held by the Gangapur merchants still remain undisposed of, it is because the Government refused, for reasons best known to themselves, to treat them in the same manner as Mandsaur and Ujjain stocks. This is a position which this State is powerless to remedy without the assistance of the Government of India. The State has repeatedly sought the help of the Government of India to be freed from the constant menace of these stocks to the efficiency of its own Excise administration. The total quantity of these stocks, however, is not more than 865 maunds, exclusive of the 77 maunds rejected by the Government of India officers as unfit for excise purposes; and every effort is being made to keep a proper check and control over this opium.

8. Similarly the poppy acreage of the State which was 68,345 acres in 1895-96 against 5,77,000 acres of British India and which stood at 36,669 acres and 5,40,000 acres, respectively, in 1907-08 just before the China Convention, due to the frequent enhancements of pass duty by the Government of India, has since continued to be reduced from year to year till it shrank to 12,136 acres in 1914-15 on the closing of export to China, against 1,64,911 acres of British India. In the year 1915-16 poppy cultivation had practically to be given up, due to the Government of India's continued disregard of the Durbar's claim to participation in the non-China trade and in the excise requirements of the provinces of British India, which were consuming Malwa opium until a few years ago. That year (1915-16) will go down to history as the one that marked the absolute extinction of the opium industry and trade of the State, due to the China Convention of 1908, to which the State was no party. It will also preserve the memory of the various devices adopted, from time to time, to prevent Malwa opium from competing with the Bengal monopoly opium both inside and outside India.

9. As regards disparity in the retail price of opium, this doubtless presents a serious difficulty. It goes without saying that so long as this disparity lasts, it will naturally constitute a great incentive to smuggling, and no administrative measures for preventing the latter will prove as effective as desired. This State therefore has no objection, and it never had any, gradually to assimilate its duty on the drug and its sale price with the rates prevailing in British India. The retail price of opium, which was Rs. 22 per seer in Samvat 1972 (1915-16 A.D.), has been gradually raised to a maximum of Rs. 55 per seer, and if it is lower in some parts, it is due to want of co-operation on the part of the bordering States. The difficulty is, that no State can enhance its own rates independently of the neighbouring States. But if any one State or several States are willing to adopt the prevalent rates in British India, there is no reason why such States should be penalised in any way. On the contrary, this would be a reason for exerting pressure upon the recalcitrant States, similarly to adopt the higher rate. At all events it is a point for serious consideration why, of

all the commercial crops, opium alone should present such disparity of prices. The ultimate reason appears to lie in the Bengal monopoly. But now that the export of opium outside India for any but medicinal use is going to be rigorously restricted, there hardly seems any justification for the continuance of the monopoly. No sooner the idea of monopoly is given up and prices are permitted to be regulated by the law of supply and demand, as in the case of other commercial crops, all inducement to smuggling would, it is believed, forthwith and entirely disappear.

10. Regarding home consumption, the standard of licit consumption of opium laid down by the League of Nations, namely, 6 seers for ten thousand of population, can hardly be accepted as applicable to the tropical or Eastern countries. Sir Basant Mullick has proved this in his speech before the League of Nations (1926), confining his arguments to purely medical and scientific requirements. The consumption of opium in this State at any rate is not confined to medicinal use. Opium is also used as a tonic by the people as well as a curative drug for cattle and horses, besides being used as a ceremonial beverage on the occasions of marriages and other social and caste gatherings. Even the Government of India have no desire "to suppress the consumption of opium as an indulgence in other ways than by smoking." If the total quantity of the drug used in the State should appear a little inflated, it is therefore not necessarily an indication either that it is abused or that much of it is smuggled across the border into British India or other States. The alleged excessive consumption of opium in the State need therefore cause no alarm, even though it may yet take some years for her to reach the standard of 30 seers per ten thousand of population, which the Secretary of State for India is understood to consider as proper and reasonable in the case of India. There is no opium smoking in this State, and habitual indulgence in opium eating is bound to decline as education advances amongst the people. There is great risk, on the other hand, in attempting to force the pace, as it must lead to the use of other more deleterious drugs and intoxicants.

11. The annual consumption of opium, which was little over 429 maunds in Samvat 1973 (1916-17), has been brought down in recent years to an average of 325 maunds. This is 13 seers in excess of the standard of 30 seers per ten thousand of population, referred to above. As time goes on, the prescribed standard would be reached. Similarly the number of opium shops which was 1,127 in Samvat 1972 (1915-16) has come down to 873 this year.

12. The only point that now remains to be considered is the capability of this State to adopt the smuggling of opium across it need entertain no doubt in regard bar can well maintainence of an on the main- at the Gwalior Durbar have, always followed in respect of preventive measures has been generally identical with that of the Government of India,

and it would be admitted that these measures have been successful. But this is not all. The Durbar's effort to bring their preventive methods in line with those of the Government of India has not been relaxed. The production, manufacture, distribution and use of the drug is controlled by the Excise and Opium Acts of the State, and an adequate trained staff consisting of 4 Deputy-Commissioners, one Excise Assistant, 11 Superintendents, 15 Inspectors and 30 Sub-Inspectors of Excise, in addition to one Opium Officer, 3 Inspectors, 6 Supervisors and 17 Patrols besides many Mukhias of the Opium Department, is maintained to enforce compliance with the provisions of these Acts.

13. From a careful consideration of the facts and figures cited hereinbefore it will be manifest that there is no reason to depart from the present arrangements in regard to the production and supply of opium, in the manner now proposed, so far at any rate as the Gwalior State is concerned. What indeed seems necessary in all fairness is that, in consideration of the Durbar's immense sacrifices, a due and legitimate share in whatever of production and trade of opium remains available to India now or hereafter should be allotted to the Gwalior Durbar. It is, I trust, not necessary to recapitulate here the heavy losses already borne by the Durbar and their people, nor to refer to the permanent loss of considerable lucrative business, of land revenue, and of cultivation profits, amounting to several lacs of rupees under each head. There is no exaggeration in saying that the extinction of opium trade has been responsible for the ruin of most of the mercantile community of Malwa and has further crippled the already limited resources of the State. The substantial financial loss suffered by the Government of India is not forgotten, but the capacity of the Government of India to bear loss and that of this State cannot be compared. The State's resources are limited and inelastic, but what makes its loss still harder to bear is the fact that the opium trade of Malwa has gone under in the struggle for existence against the Bengal monopoly trade, because of the political power behind the latter.

14. To summarise, the Government of India have bound themselves not only to suppress opium smoking in their own territories and those of the Indian States but also to prevent by every means in their power the export of illicit opium, in order to assist the various countries in the Far East to rid themselves of the opium evil. It is admitted that opium smoking is rare in India. "The consumption of opium as an indulgence, in other ways than by smoking, the Government have no desire to suppress, since they are not convinced that such moderate use is harmful." It is excessive use that they wish to prevent. To this end they have invited the co-operation of the Indian States, some of which have been growing opium from times immemorial and whose populations have therefore been accustomed to its use. They have declared in unequivocal terms that they are not going to let financial considerations stand in the way of their trying to secure this object, but also

that it is not their intention to derogate from the right of the States to manage their own domestic concerns.

15. The Gwalior Durbar whole-heartedly endorse the policy of the Government of India outlined above and welcome the declarations therein re-affirmed. They claim that the policy they have themselves followed has been practically identical with that of the Government of India. This is borne out by their closest and ungrudging co-operation in all measures hitherto adopted or recommended by the Government of India for the suppression of opium smoking and the prevention of its excessive use otherwise and indeed by their doing everything possible, subject to the existing conditions, for the prevention of smuggling. If now with their limited resources and large sacrifices in the past they find themselves unable, unlike the Government of India, to ignore financial considerations or the question of their rights any more, they feel they deserve every consideration and support from the Government of India.

16. There is no disposition on the Durbar's part to make light of the difficulties that stand in the way of the complete attainment of the Government of India's object, but the Durbar view with deep concern and not a little alarm, the manner suggested for the attainment of that object. The China Convention resulted in bringing the whole of the State's opium trade with British India and foreign countries under Government monopoly. The State, being thus deprived of its trade, was reduced to the position of a mere cultivator. And now the proposal adumbrated threatens to deprive the State of the liberty to grow any opium at all. This prospect cannot be viewed with equanimity, as it imports the surrender of an elementary right. Needless to say, the Durbar are in full sympathy with the humanitarian policy of the League of Nations in regard to the suppression of opium smoking and would heartily co-operate in measures directed exclusively to that end. But to ask of any country free from the abuse of opium smoking to sacrifice its right of producing and licitly trading in the drug is, to put it mildly, asking too much.

17. As the Durbar have in the past been losers beyond their capacity, they now press for a fair share of the remaining opium production and trade. Briefly stated, their suggestions are as follows:—

- (1) The monopoly of opium may now be abandoned by the Government of India, leaving the States and the provinces of British India free to get their supplies of opium either by home cultivation or by import from other States or provinces of British India.
- (2) If the monopoly be not terminated, the old poppy-growing States should have the exclusive right to supply opium to other States that do not grow this drug, distinct zones of influence being fixed upon for this purpose.

- (3) The States should be free to start chemical industries and morphine works, where at least all old accumulated stocks of opium, which can no longer find exit by export, could be manufactured into morphia and other drugs of medicinal use, and of these the quantities not consumed by the medical profession in India should be exportable abroad.
- (4) Proportionate share should be allowed to the States in the export trade of opium to countries in the Far East that desire Indian opium and are prepared to certify their imports.
- (5) Proportionate share should be allowed to the States in the export of opium to European and other countries for medicinal and scientific uses. Such exports should not be confined to the Bengal opium.

18. The Gwalior State is entitled to all this in simple justice, but should the Government of India have any valid reasons, not yet discussed by us, to insist upon concentrating the whole opium production of India in one place, the Durbar would be prepared to join the Government of India's scheme subject to the following arrangement:—

- (1) That the revenue derived by the Government of India from opium in future should be shared by British India and Gwalior in proportion to their acreage of poppy cultivation of pre-restriction days, as accepted by the Royal Opium Commission of 1894-95. According to the Tables given in the Commission's report, the poppy cultivation figure of the Gwalior State was about 12 per cent. of the whole poppy acreage of India.
- (2) The future control of opium in its two aspects: Excise and Commercial (internal and external): may entirely vest in the Government of India, but the production and trade of opium should be treated as a joint-stock concern for the division of profits however derived.
- (3) For excise purposes Government of India should give to the Gwalior State excise on crude opium according to present consumption to begin with, but in gradually diminishing quantities till the tenth year, in which year the quantity allowed should not exceed the prescribed standard of 30 seers per ten thousand of population. The present consumption of the Gwalior State amounts on an average to 325 maunds, which is in excess of the prescribed standard by 100 maunds only. The supply to this State should therefore be reduced by about ten maunds each year, so that after the tenth year the prescribed standard will have been attained.
- (4) States having their own arrangements for manufacture of excise opium and therefore desirous of taking crude

opium, should be supplied with it at the rate that the Government pay to the cultivators in free competition. In other words, the present arrangement under which the Government purchase opium from the States for the Ghazipur Factory should be reversed. Gwalior will be prepared to take crude opium on this basis.

- (5) As regards the commercial profits, they should be divided, as already stated, on the basis of the poppy acreage accepted by the Royal Opium Commission of 1894-95, profits being calculated after deduction of overhead charges but not of duty or royalty of any kind whatsoever.

19. The Durbar regret that they are unable to accept any arrangement by which they will be deprived of commercial profits and will have to be content with only the excise revenue, which seems to be the proposition of the Government of India.

For answers to the questionnaire issued, please see Annexure A.

ANNEXURE A.

Information regarding the terms of reference.

(1) AGRICULTURAL.

- (1). (a) *The extent to which poppy is cultivated in each State.*

The acreage of poppy cultivation in the State is given in Appendix No. I.

- (b) *The quality and the nature of the lands on which it is cultivated and the amount of irrigation required and the nature of the arrangements for such irrigation.*

Poppy is cultivated in the following soils, viz.—

- (1) Kali, i.e., Black cotton soil.
- (2) Dhamni, i.e., Mixed soil (Bhuri and Kali) with a predominating mixture of Kali and hence blackish in colour.
- (3) Bhuri, i.e., Brown loamy soil rather thirsty.
- (4) Retri, i.e., Mixed composition of Bhuri loam and sand highly responsive to irrigation like Bhuri.

All these soils are heavily manured, Bhuri giving the best and first class outturn. Generally, the soil is irrigated from wells and in some places from tanks by channels and in a few cases by lift (Odhu) from rivers or nullas. As a rule, water is taken out from wells by means of Charas. Poppy crop usually requires 7 to 9 waterings and sometimes more according to timely rains or their absence.

(c) *The liability of the yield of the crop to fluctuate owing to seasonal conditions.*

Climate affects the yield of crops when there is continuous or heavy rains. The yield in such cases is usually below normal and the opium gets black in colour when it rains in the fruiting stage of the plants. The plants are very sensitive to frost in the cold weather, which generally withers them, and cloudy skies also affect them. The crop suffers by hails, as any other.

(d) *The advantages or disadvantages of cultivating poppy as compared with other crops from the point of view of the cultivator.*

Poppy cultivation is usually to be found on superior class of highly manured lands, i.e., *Adan* I and II, (commanded by irrigation wells or tanks, etc.), and an opium crop, following a crop of maize, with a small crop of minor varieties in Kharif, on an acre of such lands, brings to the cultivator Rs. 166 on an average as follows:—

	Rs.
(1) Kharif—	
Maize 18 Maunds	48
Other minor crops	10
	<hr/>
Total	58
Less 1/5 cultivation expenses	12
	<hr/>
Balance	46
	<hr/>
(2) Rabi—	Rs.
Opium 12 Srs. @ Rs. 8	96
Seeds 4 Mds. @ Rs. 10	40
Lahsan 2 Mds. @ Rs. 4	8
Minor miscellaneous crops	6
	<hr/>
Total	150
Less 1/5 cultivation expenses	30
	<hr/>
Balance	120
	<hr/>
Total income after deducting cultivation expenses	166

He earns this income by raising the two crops (Kharif and Rabi) uniformly year by year, and it does not cost him much in labour and watch as compared with the expense and worries, etc., involved in raising other crops on the outlying fields of the village. He has to pay as rent no special opium rate but only ordinary cereal rates, as the Durbar, foreseeing the closure of the China market and stoppage of free cultivation of opium, applied non-opium rates for assessing rent and revenue at the last revision of their Land Revenue Settlement. His liability, thus, on the rent or revenue side is appreciably small, the rate payable being Rs. 16 per acre

on an average for *Adan* I and II. This means that an acre of opium cultivation brings him annually Rs. 166—Rs. 16 = Rs. 150 per annum net. Supposing that opium cultivation is given up, he will have recourse to other crops, *i.e.*, to crops on which the settlement rates are based; and these under the usual circumstances would drive him into the following position:—

	Rs.	Rs.
(1) Kharif—Mirch (Chillies) 10 Mds. @ Rs. 6 .	60	
Rabi—Wheat 18 Mds. @ Rs. 3	54	114
(2) Kharif—Maize 24 Mds. @ Rs. 2	48	
Rabi—Wheat 18 Mds. @ Rs. 3	54	102
(3) Kharif—Mirch (Chillies) 10 Mds. @ Rs. 6 .	60	
Rabi—Mothri 20 Mds. @ Rs. 6	120	180
(4) Kharif—Maize 24 Mds. @ Rs. 2	48	
Rabi—Mothri 20 Mds. @ Rs. 6	120	168
(5) Cotton alone 12 Mds. @ Rs. 8	96	96
Total produce in 5 different ways . . . .	...	660

He will, thus, have a choice to make between 5 different methods of cultivation by rotation, and his liability on the rental side will, however, be the same, *i.e.*, Rs. 16 per acre. Now, taking the 5 items separately, each for a particular year, his position will be as follows:—

Crops.	Total yield.	Less $\frac{1}{2}$ cultivation expenses.	Net value of produce.	Deduct rental.	Net income.	Net income for poppy.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
I	114	23	91	10	75	150
II	102	20	82	16	66	150
III	180	36	144	16	128	150
IV	168	34	134	16	118	150
V	96	19	77	16	61	150
			528		448	

His net income in 5 years, thus, supposing his crops alternate as above, will be Rs. 448 or Rs. 90 per annum on an average. Compared with this the net income from opium cultivation will be Rs. 150. This means that the substitution of any other crop for opium will entail on him a loss of Rs. 60 per annum per acre. It may be stated here that the settlement average rent rate is a $\frac{1}{4}$ share of the produce, and a hard and fast rate by a strict calculation of such a share on Rs. 528/5 = Rs. 105 would be Rs. 26 per acre. But items 2 and 5 above would show that bad years apart, such a rate would not be bearable even in some of the good years of each cycle of five years. The safest course for the Government, therefore, is to be content with a minimum instead of a maximum rate, leaving the cultivator an option to have recourse to any of the five methods of rotating and alternating crops for purposes of maximum profit.

Some of the other advantages or disadvantages of opium cultivation as compared with other crops from the point of view of a cultivator are as follows:—

- Advantages.*—(a) Proximity of fields to the homesite giving the advantage of easy cultivation protection, watch and weeding, etc.
- (b) Possibility of making the best use of *Adan* fields near the homesite by securing a food crop with a money crop from the same fields every year without interruption.
- (c) Practicability of making the maximum possible use of the irrigation wells giving just enough but exhaustible supply of water for purposes of raising perennial crops and thereby securing an adequate return for the money and labour spent on their upkeep.
- (d) Acquisition of power to pay up his way easily, *i.e.*, his rent liabilities when crops (Rabi or Kharif), on the non-opium fields of his holdings, fail.
- (e) The possibility for the cultivator to be content with small holdings with opium cultivation as compared with his going in for large holdings with fields under other crops scattered in villages rendering work and watch, etc., difficult.
- (f) Sure prospect, ease and facility of obtaining money for his produce, *i.e.*, by selling opium to authorised officers at given centres on assured prices and obtaining hard cash immediately, instead of running about in Mandis and Hats and Markets with cart-ful of grains for days together with uncertain prospect of gain. In the latter case, after days of trouble and knocking about, the cultivator has oft times to part with his produce at unfavourable prices ruling in Mandis at the mercy or caprice of the Sahukars.

Disadvantages.—There are no disadvantages from the point of view of a cultivator, apart from liability of poppy to yield fluctuations owing to seasonal conditions, to which most other crops are also subject, except that he is bound strictly to observe the rules and regulations governing opium cultivation, from which he is never free at any stage till the stuff is sold. These rules may be somewhat hard, as they must necessarily be for obvious reasons, but a village opium cultivator has now become thoroughly used to them, and has therefore ceased to feel their rigour.

(e) *The possibility of substituting other crops for poppy and the effect on the cultivator of such substitution.*

In case opium cultivation is stopped the lands used for it will certainly, be brought under other crops as shown in para. 1, I (d) above, but the loss to the cultivator will be heavy; i.e., about Rs. 60 per acre per annum, besides the great advantage of securing a food crop followed by a highly paying money crop every year will have disappeared or substantially diminished.

(2) FINANCIAL.

(a) *Land Revenue, distinguishing revenue from land cultivated with poppy for supply to the Government of India, that from land cultivated with poppy for supply to other States and that from land cultivated with opium for internal consumption.*

As said in para. 1, I (d) above, the land revenue of the Gwalior State is not based on the income derived from opium by the cultivators, as poppy or *Adan* lands at the last settlement have been assessed as a farsighted measure at non-opium rates. Subsequently when opium cultivation was renewed, the practice since then has been to confine it by the issue of licenses to so much acreage only as would be just enough for producing opium required for supply to the Government of India and local consumption, without differentiating areas separately. But the outturn of opium happened in no year except one or two to be more than the quantity required for supply to the Government of India. So the actual poppy acreage of the State in recent years may be taken, for all practical purposes, as cultivated solely for supply to Government.

For purposes, however, of forming an idea of the land revenue that the State would have derived from this area under poppy, had the Durbar not given up applying opium rates for assessing their revenue, a rough calculation can, as shown under, be easily made by now applying those rates to the poppy cropped area and calculating revenue at 70 per cent., being the average consolidated rate at which the State's present revenue is assessed.

Year.	Area in acres under poppy.	Rent rate for poppy lands.	Rent rate for non-opium lands.	Difference of rent rate for poppy and non-opium lands.	Total loss in Rental	Average loss of Revenue.
1920-21	20,308	Rs. 32 per acre	Rs. 16 per acre.	Rs. 16 per acre	3,24,928	3,48,742
1921-22	19,197	" "	" "	" "	3,07,152	
1922-23	29,401	" "	" "	" "	1,70,416	
1923-24	20,829	" "	" "	" "	3,32,254	
1924-25	19,247	" "	" "	" "	3,07,952	

*The average of the above rental represents the sum of loss which is being borne by the Durbar and Zamindars jointly, of which 70 per cent. is being solely borne by the former.

1921-22.	1922-23.	1923-24	1924-25	1925-26	1926-27
Rs. 1,26,977	1,78,365	1,88,666	1,96,609	2,05,102	2,08,599

(b) Revenue other than land revenue derived from internal consumption.

(c) Revenue other than land revenue derived from export to other States.

(d) Revenue other than land revenue derived from the sale to the Government of India.

Vide Appendix No. 2.

The amount received for opium by sale to the Government of India is detailed below:—

Samvat.	Amount received.	Price and bonus paid to cultivators.	Balance treated as State Revenue.
	Rs. A. P.	Rs. A. P.	Rs. A. P.
1977 (1920-21)	28,14,109 1 3	22,07,859 15 11	6,06,249 1 4
1978 (1921-22)	23,09,466 1 5	18,49,563 6 7	4,59,920 10 10
1979 (1922-23)	45,08,733 0 11	36,10,152 10 9	8,98,580 6 2
1980 (1923-24)	25,12,754 4 2	20,01,112 10 0	5,11,641 10 2
1981 (1924-25)	20,85,947 10 9	15,82,258 0 0	5,03,689 10 9

(e) Any other form of revenue—

	1921-22	1922-23	1923-24	1924-25	1925-26	1926-27
Profit from Godown	Rs 65,329	84,167	95,907	1,50,332	1,47,012	1,41,680
License fee for opium under section 18	925		300	300	..	

(11) The proportion that the total revenue of all kinds from opium bears to the total revenue of the State.

Total Revenue of the State for Samvat 1981 (year 1924-25)—

	Rs	A	P
1. Land Revenue	98,75,000	0	0
2. Muntazim Jagirdars' Department	6,35,000	0	0
3. Receipt through Pol Department	14,500	0	0
4. Forest	3,20,000	0	0
5. Customs and Excise	42,00,000	0	0
6. Commerce and Industry Department	1,35,000	0	0
7. Salt	3,12,500	0	0
8. Stamp	6,00,000	0	0
9. Judicial	1,50,000	0	0
10. Jails	90,000	0	0
11. Irrigation	2,50,000	0	0
12. Miscellaneous			
(1) Medical	3,000	0	0
(2) Hydras	12,000	0	0
(3) Roads and Buildings	40,000	0	0
(4) Education	15,000	0	0
(5) Jayaji Pratap	12,500	0	0
(6) Karlihanajat	10,000	0	0
(7) Sundries	2,75,000	0	0
Total	1,69,49,500	0	0

Total Revenue from Opium for Samvat 1981 (year 1924-25)—

	Rs	A	P
(1) Internal consumption	1,96,609	0	0
(2) Export to other States	298	0	0
(3) By sale to the Government of India	5,03,689	10	9
(4) Profit from Godown	1,50,332	0	0
(5) License fee for opium under sec 18	300	0	0
Total	8,51,223	10	9
Percentage		5	025

(a) *Expenditure upon the regulation and control of the cultivation of opium.*

The figures of expenditure of the last three years for the regulation and control of the cultivation of opium are as follows:—

Samvat.	Rs.	A.	P.
1977 (1920-21)	58,015	6	7
1978 (1921-22)	52,386	7	8
1979 (1922-23)	71,573	9	1
1980 (1923-24)	65,155	8	9
1981 (1924-25)	70,626	0	0

There is an Opium Officer, two Inspectors, one Sub-Inspector, 6 Girdawars and seventeen (17) Patrols for control and supervision of the cultivation and its outturn. This staff constantly tours in the villages and keeps cultivators from mixing opium with oil or otherwise adulterating it, and exercises strict watch over the produce till it is brought to the centres fixed for weighment. After this is done the whole of the stuff is taken over by the department in its own custody and despatched to Ghazipur, the surplus, if any, being purchased by the Excise Department of the State.

(b) *Expenditure upon the manufacture and distribution of opium and the nature of arrangement for such control.*

The figures for the last six years ending 1926-27 are as under:—

1921—22	1922—23	1923—24	1924—25	1925—26	1926—27
Rs. 10,629	9,216	9,638	11,259	8,990	10,367

An Opium Godown is maintained at Ujjain under the direct control and supervision of a Deputy Commissioner of Opium with necessary subordinate staff. The requisite crude opium, when available, is purchased from the Opium Officer, Mandsaur. When not available, the purchases of crude and ball opium are made by inviting tenders either from the local or outside licensed wholesale dealers or from opium producing administrations outside the State, in accordance with the procedure in force in Central India. The opium so purchased is refined, manufactured and turned into cakes of 4 and 5 tolas which are stamped with the seal of the Godown. The cakes of 4 tolas are supplied to the State Warehouses and that of 5 tolas to Cantonments and Jagirs administering their own Excise arrangements. The purchase, manufacture and supply is regulated by a Qalambandi or set of rules issued by the Durbar for this purpose.

(iv) *Loss of revenue to the State due to illicit practices in areas where opium is cultivated.*

Loss of revenue due to leakage in areas where opium is cultivated cannot be definitely specified. The cultivation of opium is confined to certain areas in the district of Mandsaur, where the average an-

nual income per thousand of population from the consumption of opium is approximately Rs. 11; while in Ujjain, Shajapur and Amjhera Districts where this cultivation is entirely prohibited it is approximately Rs. 80, Rs. 75 and Rs. 40, respectively. The inference is obvious, and as such the loss may reasonably be estimated to be Rs. 15 thousand approximately, the total population of that district being 2,37,745.

(v) *Loss of revenue due to smuggling from outside the State.*

It is difficult to ascertain or even to form a remote idea of the loss of revenue due to smuggling in of opium from outside; but in certain areas of the State which are conterminous to Mewar territory, Jhalawar, Sitamau, Partabgarh and Tonk there is reason to believe that some opium is smuggled into the State, a few instances of which are given below :—

1. Three persons named Abdul Karim, Khaju and Ibrahim came down from Bombay and purchased opium in Partabgarh. They were arrested at Mandsaur with 11 seers of Partabgarh opium by the Inspector, Customs Post, Mandsaur, and were convicted by the Court.
2. One smuggler while bringing opium from Mewar territory was suspected and followed by the Customs clerk, Kesarpura, but as he entered the Railway premises at the time of arrest, the Railway Police took possession of the smuggler and got him convicted by the Court of the Railway Magistrate.
3. Five persons named Rajaram, Narsinghlal, Bhureylal, Kaloo and Bhagla were arrested at Suwasia with about 16 seers of Sitamau opium and were convicted.

In the rest of the State the selling rates being nearly practically the same as the rates of the adjoining territories, excepting districts of British India, there is no such likelihood.

(vi) *The present cost and selling price of opium, the possibility of gradually raising the latter and the effect upon the State's finances of such a policy*

The Commission system is in force throughout the State. The present cost price of opium is approximately Rs. 11-4-8 per seer and Warehouse price is Rs. 21-8-0 per seer. The difference between the Warehouse and Cost price is the profit of the Godown which is shown against question (1) (2) (1) (e). The retail selling prices range from Rs. 32 to Rs. 65 per seer in the different districts, vide Appendix No. III.

The retail licensees are allowed a commission of Rs. 2 to Rs. 5 per seer which they receive by way of higher selling prices. The balance after deducting warehouse price of Rs. 21-8-0 per seer (which

is paid to Opium Godown) is credited as duty and license fee, which is shown under head 1 (2) (i) (b).

The Durbar have always co-operated in the gradual increase of the retail sale price whenever the adjoining administrations expressed their desire to co-operate side by side. They still think that there is every possibility of gradually raising the price to a reasonable figure suited to local conditions, provided the surrounding administrations also co-operate with them. Any abrupt action in this direction is likely to cause hardship to the consumers and stimulate smuggling in of outside opium.

(viii) *The present source of supply and the possibility of meeting the demand in the first instance from stocks held in the States under consideration taken as a whole and ultimately from Ghazipur, with special reference to the financial results of such a policy so far as these do not fall under any of the heads mentioned above.*

The present sources of supply are the crude opium of Gwalior produce and the ball opium from the stocks held in the State by the Licensed Wholesale Dealers as well as imports of crude and ball opium from Tonk, Udaipur and Indore. Opium purchases are made by inviting tenders. The existing stocks of opium held in the State by the Licensed Wholesale Dealers are insufficient to meet the State's demand beyond three years. Moreover the stocks held by Gangapur licensed dealers cannot be utilised for this purpose, owing to the prohibitive export duty demanded by the Mewar Durbar.

Because our continued efforts secured the clearance of the accumulated opium stocks with the help of the Government of India, there seems no reason why this State should now be penalised by requiring it to stop its poppy cultivation for absorption of excessive stocks held in other States. The question of meeting the State's demand ultimately from Ghazipur has been discussed in the accompanying Note.

(viii) *Effect of discontinuance of cultivation of poppy on States that cultivate for the Government of India and what steps, if any, can be taken to meet the same.*

According to the present arrangement the Government of India purchase opium to the extent of 2,500 Mds. from the Gwalior State and this involves an area of 8,335 acres. If opium cultivation is discontinued on this area the total loss to the cultivators of Gwalior will be about 5 lacs and to the Gwalior Government of about Rs. 3 lacs exclusive of loss of land revenue (Rs. 1,32,800) borne by Durbar and Zamindars. This loss cannot be made up for fully by a substitution of non-opium crop, as shown in para. 1, I (d) above. Incultivation is at present current, brought down the land revenue in the 1915 settlement, in spite of immense increase of other cultiva-

tion, to Rs 55,065 as against land revenue of Rs 10,54,160 of the expiring settlement

Any stoppage of this cultivation in future will, apart from the loss of revenue to the State, be disastrous to the cultivators concerned, and the measures that can be taken to alleviate the suffering

II Consumption in the State—(i) The manner in which opium is used the purposes for and the occasions on which it is used and the extent to which it is used and, in particular, to which it is administered to children

Opium is generally used in dry form and seldom in the shape of admixture. It is used as a tonic and stimulant. Certain communities such as Rajputs, Jats, etc., have been since time immemorial, addicted to its use owing to climatic conditions and the traditions of their families. In many ignorant and illiterate classes, opium being comparatively a cheaper commodity has replaced country liquor as an intoxicant. It is also prescribed and administered by physicians and Vaidyas for internal as well as external use in different ailments. It is used on the occasion of festivals and other ceremonies by certain communities. It is generally used in small doses of a few grains but there are some people like Sadhus who use it in larger quantities say up to one tola each. It is also administered by female coolies to their children in very small doses as an opiate to keep them drowsy during their absence.

(ii) The forms (ball, biscuit, etc.) in which opium is used in the State

Opium used in the State is biscuit opium which is manufactured and issued from the Durbar's Opium Godown.

(iii) The chemical composition of opium when prepared for consumption in the manner prevalent in the State and its physiological effects upon the consumers when so consumed

The Chemical composition of Excise opium is given below —

Sample	Moisture	ON THE DRIED SAMPLE.				
		Aqueous extract	Ash	Morphine	Codeine	Narcotine
Excise Opium	10.13%	65.35%	5.09%	8.12%	2.44%	7.08%

The consumption of such opium does not, so far as could be ascertained, produce any bad physiological effect upon the consumers.

- (iv) *The possibility and desirability of effecting a substantial reduction in the amount of opium consumed in the State, the means (increase of selling price or otherwise) by which this could be effected and the financial or other obstacles to such reduction in so far as these have not been dealt with under any of the heads above.*

The consumption of Excise opium in the State is given in Appendix No. IV. Any substantial reduction in the amount of opium consumed in the State is only possible gradually by a gradual increase in the selling price to a reasonable figure consistent with the economic condition of the people, provided the surrounding administrations also co-operate.

- III. *Stocks of opium in the State, their quantity, by whom they are held, their value, the extent to which they are already under State control and how best they could be disposed of.*

The stocks of Ball and Crude opium in the State amount to 942 Mds. 32 Srs. 10 Chs., *vide* Appendix No. V. Of this 77 Mds. 10 Srs. and 6 Chs. of rejected opium (belonging to Mandsaur and Ujjain licensed dealers) are stocked in the Ujjain Godown and the rest belonging to Gangapur wholesale dealers are in their custody. The approximate value of these stocks at an average rate of Rs. 10 per seer comes to about 3,77,000 Rs.

- IV. *Smuggling out of the State—Its causes and prevalence, the preventive agencies in existence, their present effectiveness and the possibilities of their improvement.*

The main cause of smuggling is the difference in prices of opium prevailing in different areas. The rate of opium in Bengal ranges from Rs. 120 to Rs. 150 per seer, while the prevailing rates of opium in the States of Central India and Rajputana are from Rs. 32 to Rs. 55 per seer, and this disparity in the rates is an incentive to smugglers. As a natural sequence, a gang of smugglers has been formed in Bengal who by illicit traffic of the commodity have been making large profits. These people purchase opium either themselves or through their agents from areas where they can obtain it at lower rates, and one of their ingenuity is to stamp ordinary opium with forged stamp of some well-known area in order that the contraband stuff may pass for genuine stuff of that place and thereby fetch a higher price. Only a few years back, with the kind help of the Excise Commissioner in C.I. a forged stamp bearing inscription of "Excise Department, Gwalior" was seized at Alot.

Excise Reform was introduced in this State in Samvat 1970 (1913-14) and since then the State has been maintaining a separate Preventive Staff, who have been keeping a vigilant eye over violations and infringements of the provisions of the State Excise Laws, Rules and Regulations. As a further restriction and an aid to proper checking retail vendors of opium are required to keep a record of opium sold by them in quantities of one tola and over.

It is difficult to say whether opium is or is not smuggled out of this State, but what is certain is that generally the allegations about the seized stuff being of Gwalior production have been found to be untrue. This will be manifest from a perusal of Appendix No VI which contains a brief note of the seizures made in British India during the last two years and the result of the enquiries made in that connection.

V *Purchase from Ghazipur—The advisability and practicability of the purchase of opium by the States from Ghazipur at the cost price. How far the inhabitants of the States would be prepared to consume Ghazipur opium and whether Ghazipur could produce opium suited to their taste and needs.*

Vide Note

VI *The policy suggested by the Government of India—The advisability and practicability of adopting the policy suggested by the Government of India, namely, the discontinuance of cultivation in the States, the purchase of opium by the States from Ghazipur at cost price and the adoption by the States of the policy of maximum revenue from minimum consumption so as, ultimately, to raise the selling price to a level with that in the adjoining British Districts, thereby removing the incentive to smuggling and reducing consumption.*

Vide Note

VII *General—Any other subjects relevant to the matters mentioned above.*

Vide Note

APPENDIX No I

Statement showing the Acreage under Poppy Cultivation in British India and Gwalior State

Year	Area in acres in British India	Area in acres in Gwalior State	Average yield per acre	Production in Maunds in Gwalior
1896-97	603 000	67 988	12 seers	20 396
1897-98	594 000	52 823	"	15 850
1898-99	605 000	59 844	"	17 953
1899-1900	644 000	12 270	Yield below normal	
1900-01	624 000	50 131	12 seers	15 039
1901-02	610 000	38 203	"	11 461
1902-03	611 000	44,673	"	13 402

APPENDIX No. I—contd.

Statement showing the Acreage under Poppy Cultivation in British India and Gwalior State—contd.

Year.	Area in acres in British India.	Area in acres in Gwalior State.	Average yield per acre.	Production in Maunds in Gwalior.
1903-04 . . .	666,000	56,037	12 seers.	16,811
1904-05 . . .	612,000	37,054	Yield below normal	...
1905-06 . . .	655,000	24,323	12 seers	8,497
1906-07 . . .	612,000	53,691	"	16,107
1907-08 . . .	540,000	36,669	Yield below normal	...
1908-09 . . .	418,000	29,482	12 seers	8,845
1909-10 . . .	376,000	26,296	"	7,889
1910-11 . . .	385,000	33,114	"	9,934
1911-12 . . .	221,000	17,410	"	5,232
1912-13 . . .	178,263	17,607	"	5,282
1913-14 . . .	144,561	12,136	"	3,640
1914-15 . . .	164,911	12,136	"	3,640
1915-16 . . .	167,155	237	..	71
1916-17 . . .	204,186	11,363	..	2,250 Actual
1917-18 . . .	207,010	16,619	..	1,729 produce
1918-19 . . .	177,124	6,598	..	1,249 "
1919-20 . . .	154,621	16,013	..	1,612 "
1920-21 . . .	116,055	20,308	..	4,734 "
1921-22 . . .	117,932	19,197	..	3,665 "
1922-23 . . .	140,763	29,401	..	7,235 "
1923-24 . . .	133,495	20,829	..	3,955 "
1924-25 . . .	114,198	19,248	..	4,042 "
1925-26 . . .	Not available	8,072	..	1,337 "
1926-27 . . .	Do.	10,669	..	2,989½ "

NOTE.—The fall in area in Samvat 1982 (1925-26) was due to deficient rainfall and that in Samvat 1983 (1926-27) to the new agreement restricting poppy cultivation to a maximum supply of 2,500 maunds opium to the Government of India.

APPENDIX No. II.

Statement of Export Duty realised on Opium.

Year.	Export Duty					Scale Tax.
					Rs	Rs
1913-14	1,24,240	40,268
1914-15	85,915	10,935
1915-16	1,02,160	20,192
1916-17	50,970	511
1917-18	34,928	10,698
1918-19	19,472	6,560
1919-20	4,033	939
1920-21	2,573	541
1921-22	72,166	10,751
1922-23	1,033	113
1923-24	519	8
1924-25	248	50
1925-26	35	35
1926-27	72	71

APPENDIX No. III.

Statement showing the Retail Sale Price (per seer) of Opium in Gwalior State from Samvat 1973 to 1983.

Serial No.	Name of the District.	1973.	1974.	1975.	1976.	1977.	1978.	1979.	1980.	1981.	1982.	1983.
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Gird	25	25	32	32	32	32-40	40	40	50	50	40-45
2	Bhind	25	25	32	32	32	32	40	40	50	50	40-45
3	Tawarghar	25	25	32	32	32	32	40	40	50	50	40-45
4	Sheopur	25	25	32	32	32	32	40	40	40	40	40-45
5	Narwar	25	25	32	32	32	32	40	40	50	50	40-45
6	Isagarh	25	25	32	32	32	32	40	40	40	40	40-45
7	Bhilsa	25	25	32	32	32	32	40	40	40	40	45
8	Shajapur	25	25	32	32	32	32	32	32	32	32	35-40
9	Ujjain	25	25	32	32	32	32	32	32	32	32	35-40
10	Mandsaur	25	25	32	32	32	32	32	32	32	32	32
11	Amjhera	25	25	32	32	32	32	32	32	32	32	35-40

NOTE.—For the shops of Lashkar, Gwalior and Morar, and Pargana Gird and Aron the retail sale price at present is Rs. 55 per seer.

APPENDIX No. IV.

Statement showing the Quantity of Opium consumed in Gwalior State.

Samvat	Quantity consumed.		
	Mds	Srs	Chs
1967	121	10	1
1968	158	11	12½
1969	191	33	9½
1970	217	22	5½
1971	294	21	18
1972	395	25	4
1973	429	7	11
1974	354	36	3
1975	352	32	13
1976	319	28	10
1977	291	30	7
1978	235	11	9
1979	303	11	5
1980	305	33	13
1981	329	24	3
1982	341	36	9
1983	325	35	14

APPENDIX No V.

Statement showing the Stock of Opium in Gwalior State.

Samvat	Stock			
	Mds	Srs	Chs	Tola.
1970	25,007	7	6½	
1971	17,893	18	15½	
1972	10,893	14	13½	
1973	10,567	26	2½	4½
1974	7,383	11	1	
1975	6,078	22	12	
1976	5,874	27	9	
1977	5,599	30	15	
1978	1,047	0	7	
1979	1,019	11	14	
1980	1,031	15	10	
1981	1,013	13	9	
1982	984	3	15	
1983	942	32	10	

* Including 2 mds 34 srs 5 chs of crude opium in possession of Ganga-pur merchants

APPENDIX No. VI.

Serial No. and Case Mark with Brief
Notes of the Case.

Result of Enquiry.

1. 11-5/1982, T. C. E.—The Bengal Excise Supplement of the 24th July 1925 contained an account of the arrest, at Howrah Station, of two persons named Ram Nath and Ram Narayan for having in their possession 7 seers and 10 chhataks of Excise Opium, in which the former was reported to have stated that he was a resident of village Kameth, Police station Attair, of Gwalior State.

2. 11-6/1982, T. C. E.—The Resident forwarded for verification the descriptive roll of one Moti Lal Tewari, who was arrested at Howrah Station on 15th May 1925 for having in his possession 4 seers and 15 chhataks of Tikia Opium.

3. 11-8/1982, T. C. E.—The Resident informed that a registered postal parcel, Ex Rajmandri to Calcutta was found to contain opium and that one Ganesh Brahman who was one of the arrested person in this connection had deposed that he was a resident of village Rampore in District Ujjain.

4. 11-10/1982, T. C. E.—On 17th September 1925 a telegram was received from the Excise Commissioner for Central India intimating that one Putto Lal Dobey who was arrested at Howrah Station with one maund of opium, implicated Phundi Lal, opium licensee, Ujjain. It was also requested that necessary search and enquiries be made in this connection.

5. 11-13/1982, T. C. E.—The Excise Intelligence Bureau, Bombay, published in their Excise Supplement of the 3rd December

On enquiry it was found that village Kameth did not exist anywhere round about Attair (Gwalior), but that a village of that name situated at a distance of 5 miles from Barai lay in the Etawah District. From enquiries made at Attair and the neighbouring villages it also transpired that no person of the name of Ram Nath was known to have ever resided there.

In the descriptive roll it was stated that the accused was a resident of village Attrri, police station Vendi, District Gwalior, but from enquiries made in this connection no person of that name could be traced in the village Attrri of District Gird Gwalior.

Enquiries made in this connection showed that there was no village of the name of Rampore in the Ujjain District, and that the accused had given a fictitious name in order to avoid detection of his true place of residence.

The Deputy Commissioner, Customs and Excise, Malwa, who was telegraphically asked to search and make enquiries reported that from the investigation made, it appeared that Putto Lal's statement that he was employed as a tutor to Phundi Lal's children was incorrect, as Phundi Lal had no son nor any children were coached at his place; and that it had also been established that the seized opium bore no mark of Gwalior Excise Department. Such being the case Mr. Durga Prasad, Excise Inspector of C. I., who visited Ujjain and saw the Deputy Commissioner on this subject considered it futile to take further action in the matter.

From further enquiries made by the Deputy Commissioner it was believed that the seized opium was probably a part of the two maunds of rejected opium which one Ganesh Lal (a relation of Phundi Lal), Excise Contractor of Dewas, Junior, had purchased from Ujjain on the authority of Pass No. 74, dated the 9th October 1925, issued in his favour by the Excise Officer of Dewas.

Enquiries were made afresh in this connection and the Abkari Commissioner, Indore State, was informed that no stocks of opium were held by

*Serial No and Case Mark with Brief
Notes of the Case*

Result of Enquiry

1925, an extract from a confidential letter received from the Inspector-General of Police, Indore State. It was stated therein that the Abka had that who them State identification,

private persons in Ujjain, except those deposited in the Government Warehouse, where account was kept. We had minimised the chances of smuggling by raising the supply price. So no returnish any, with but no

6 11-15/1982, T. C. E.—The Resident informed that one Postal registered parcel No 112 of Gwalior despatched on 31st March 1926 by one Abdul Razak Pirbux was seized by the Calcutta Excise Staff, as it was found to contain 4 seers of Gola opium. No arrest could be made in this connection as the address was found on enquiry to be bogus one.

7 11-2/1983, T. C. E.—The Resident informed that two postal parcels despatched on 10th June 1926 from Post Office Basoda to Calcutta were, on information, seized by the Calcutta Excise Staff at the Government Post Office, Calcutta, and that each was found to contain 5 seers of Gola opium. Since no one turned up to take delivery of these parcels, there were no arrests.

8 11-3/1933, T. C. E.—The Resident informed that on 2nd July 1920 one Gohul was arrested by the Government Railway Police in the Indore Railway Station passenger shed for having in his possession 6 seers and 20 tolas of opium in about 84 cakes, each cake being stamped with the seal "Ujjain Opium Godown foreign use".

9 18-20/1933, T. C. E.—The Director, Ryputana and Central India Contraband Department, informed that 15 seers and 75 tolas of Gwalior opium was recovered in Hoshangabad District on 29th

From enquiries made by the Post at the that looked out as Thane the

The Postmaster General who was requested, to make enquiry into this case, reported that these parcels were booked at the Basoda Post Office but as they were ordinary registered parcels no record of the consignee's address was available. However the P. M. G. was asked to arrange, for future, to take declaration in writing from consignors about the contents of all such parcels weighing more than two pounds.

The Deputy Commissioner, Malwa Prant, after making enquiries reported that the seized opium did not appear to be of this State, and the accused had not stated whence and from whom he had got it. The Dy. Commissioner had also pointed out that the cakes of opium manufactured in the Ujjain Godown uniformly weighed 5 tolas each, and therefore 84 genuine Ujjain cakes could not weigh more than 5 seers and 20 tolas (84x5 tolas=420 tolas or 5 seers 20 tolas).

The said officer was after careful investigation informed that the seized opium was procured by the smugglers from Jagannath Prasad, Warehouse clerk of Ujjain, and that the latter had already been challaned by the

*Serial No. and Case Mark with Brief
Notes of the Case.*

Result of Enquiry.

December 1926, from Jan Mohamed and Ramcharan and requested for enquiries to be made as to the source of opium smuggled.

State Police and extradition of the smugglers from Hexhangabad had been secured.

10. 11—4/1984, T. C. R.—The Superintendent, Rajputana and C. I. Contraband Department, informed that 1 seer and 73 tolas of opium stamped "Excise Department Gwalior" was recovered from one Bulaki, son of Hasan Ali, Coolie at Hexhangabad Ry. Station, and it was also mentioned that this opium was recovered through the agency of a bogus purchaser who pretended to purchase the whole stock at the rate of Rs. 30 per seer.

Enquiries were made and the Opium Contraband Department was informed that the minimum true price of Gwalior opium was Rs. 35 per seer and therefore it was obvious that the seized opium which Bulaki sold at Rs. 30 per seer could not be of Gwalior State.

*Statement showing the export duty realized on Poppy seeds in the
year 1922-23 and 1926-27.*

Year.	Rs.	A.	P.
1922-23	12,225	9	3
1926-27	15,873	8	3
Average	14,049	8	9
Mds. Srs. Tls.			
Stock of opium in warehouses on 1st July 1927	4	37	34
Stock of opium in Ujjain Godown on 1st July 1927	221	11	38½
Total stock in the State on 1st July 1927	226	8	72½

REPORT FOR THE AJAIGARH STATE.

THAKUR SUKHDEO SINGH, Diwan of Ajaigarh State, is the Committee Member representing the State.

A Note containing the information required on the Terms of Reference, supplied by Thakur Sukhdeo Singh on behalf of the Darbar, is recorded by the Committee as an accompaniment to this Report.

There is no poppy cultivation in the State, and there are no stocks of opium in the hands of merchants or private persons. The Committee's discussion has therefore been mainly concerned with the following three points of importance, in regard to which the Committee unanimously records the conclusions given below:—

1. The President explained that a scheme is under discussion having for its object the purchase and storage in godowns in a central position of all stocks of old opium at present in the possession of merchants and private persons in Central India and Rajputana. These stocks are roughly estimated at 25,000 to 30,000 maunds, and the object of the scheme is to enable them to be placed immediately under control and to be passed into consumption as quickly as possible.

The consumption in the Ajaigarh State was 1 maund 29 seers in 1926-27, representing in the population of 84,790 a consumption of 8.1 seers per 10,000.

The Ajaigarh Darbar are prepared to assist the scheme outlined above, should it be brought into operation, by purchasing from the central stocks the opium required for internal consumption in the State, provided—

- (1) that the opium is of good quality; and
- (2) that the price of the opium will be such that the margin of taxation available to the State, represented by the difference between the cost of the opium and the warehouse rate then in force, will not be less than the State's present margin of taxation, which is approximately Rs. 34 per seer.

2. The Committee then discussed the suggestion of the Government of India that the States should, after the stocks of old opium are exhausted, obtain their supplies of opium from the Ghazipur Factory.

The Ajaigarh Darbar will be prepared to take opium from the Ghazipur Factory, after the old stocks of opium in Central India and Rajputana have been exhausted, provided that the conditions

- (1) and (2) specified under paragraph 1 above are fulfilled.

3. The third question discussed was the possibility of enhancing the selling price of opium in the State.

The present annual consumption in the State is 1 maund 29 seers. The State realised by taxation in 1926-27 approximately Rs. 30 per seer in the shape of duty and profit and Rs. 15 per seer in the shape of license fee, the total revenue from opium amounting in that year to approximately Rs. 3,150. The issue price has however been increased, with effect from July 1st, 1927, from Rs. 45 to Rs. 50 per seer. The retail sale price is not fixed but is at present approximately Rs. 65 per seer.

The Ajaigarh Darbar are prepared to raise the selling rate of opium in the State to a degree corresponding as nearly as possible with that in force in British India, provided—

- (1) that the enhancement is carried out by gradual stages;
- (2) that the same price is enforced in all the neighbouring States; and
- (3) that the enhancement does not involve undue hardship to legitimate consumers.

J. A. POPE, *President*.

THAKUR SUKHDEO SINGH,
G. HENDERSON,
AZIZUDDIN AHMED, } *Members.*

Dated Nowgong, the 17th March 1928.

Accompaniment to Ajaigarh State Report.

Information regarding Terms of Reference.

2. (b) Rs. 2,072 as duty at Rs. 30 per seer (consumption one maund 29 seers 1 chhatak sale price at Rs. 45 per seer, *i.e.*, cost price Rs. 15 and duty Rs. 30) in 1926-27.

(c) *Nil.*

(d) Rs. 1,069 as a licence fee based on profit of the licensees including hemp drugs. Opium and hemp drug contracts are auctioned jointly.

	Actual profit.
	Rs.
Ganja and Bhang	
Opium -	2,777
	1,381
	<hr/>
TOTAL	4,158

License fee for opium and khip dings Rs. 3,206, estimated
 License fee for opium $\frac{3206}{3}$ = Rs. 1,069. The Total Revenue
 derived for opium from license fee and duty amounts Rs. 3,141
 (2,072 + 1,069).

(ii) Total revenue from all sources Rs. 5,00,000 (in round num-
 bers). Total Revenue from opium 3,000 (in round numbers) propor-
 tion; 1006.

(iii) Does not concern us.

(v) No cases of smuggling into the State from outside have yet
 been reported.

(vi) The present cost of opium Rs. 16 per seer and selling price
 Rs. 50 per seer. The present consumption is very small, there may
 be still a little room for raising the price in view of the very small
 consumption in the State. The financial effect is not likely to be
 perceptible.

(vii) No permanent stock is held in the State. All supply is got
 from Indore.

II. (i) Opium is eaten and smoked (for intoxication) from $\frac{1}{2}$
 Ratti to 24 Rattis or annas 4 in weight. In particular it is admin-
 istered to children up to one Ratti. Average consumption per head
 per annum is 6 Rattis.

(ii) In forms of balls.

(iii) Opium, ordinarily, is used by consumers in the State, as it
 is received from the factory and some times mixed with leaves of
 accassia or barley husk before smoking. We cannot make an esti-
 mate of the physiological effect it has up on the consumers.

(iv) By raising selling price of opium reduction in consumption
 can possibly be effected and no effect can there be on financial condi-
 tion of the State.

III. There are no stocks held in the State other than the stock
 imported by the State itself; the average stock imported annually
 is about 2 maunds.

IV. No case of smuggling outside the State has yet been report-
 ed, the State Excise staff keeps effective control with the help of the
 Police.

V. From the enquiry made locally it is evident that the con-
 sumers no doubt prefer opium sold in adjoining British districts,
 but they are restrained from doing so owing to the high selling price
 in those districts ranging from Rs 1-8 to 2 per Tola.

VI. We cannot commit to any definite opinion about the ques-
 tion raised here as long as all the neighbouring States do not agree
 to give effect to the policy of the Government of India.

VII. Nil.

The Statement showing for each of last five years (1) Opium consumption in State Ajaigarh (2) Revenue from duty (3) Revenue from License fee on Opium shops as required by the President of Opium Committee in their telegram No. 414-22-Opium, dated 13th March 1928.

Excise years.	Consumption of opium.			Revenue from duty.			Revenue from license fee on opium shops.		
	Mds.	Srs.	Chh.	Rs.	A.	P.	Rs.	A.	P.
1922-23	2	0	1	1,506	1	0	748	0	0
1923-24	1	34	1	1,827	5	0	810	0	0
1924-25	1	28	12	1,720	15	5	1,150	0	0
1925-26	1	18	12	1,771	8	0	1,045	0	0
1926-27	1	29	1	2,072	7	1	1,069	0	0

NOTE.—License fee is estimated only as the Muskarat contracts are auctioned here jointly, i.e., opium and hemp drugs shops combined, therefore exact and actual amount of license fee for opium shops only is not available here.

REPORT FOR THE ALI-RAJPUR STATE.

Khan Sahib SORABJI COWASJI DOTIWALA, Dewan, Darbar Ali-Rajpur, is the Committee Member representing the State.

A Note containing the information required on the Terms of Reference, supplied by the Dewan of Ali-Rajpur on behalf of the Darbar, is recorded by the Committee as an accompaniment to this Report.

There is no poppy cultivation in the State, and there are no stocks of opium in the hands of merchants or private persons. The Committee's discussion has therefore been mainly concerned with the following three points of importance, in regard to which the Committee unanimously records the conclusions given below:—

1. The President explained that a scheme is under discussion having for its object the purchase and storage in godowns in a central position of all stocks of old opium at present in the possession of merchants and private persons in Central India and Rajputana. These stocks are roughly estimated at 25,000 to 30,000 maunds and the object of the scheme is to enable them to be placed immediately under control and to be passed into consumption as quickly as possible.

The consumption in the Ali-Rajpur State was 9 maunds 22 seers in 1926-27, representing in the population of 89,364 a consumption of 42·74 seers per 10,000.

The Ali-Rajpur Darbar are prepared to assist the scheme outlined above, should it be brought into operation, by purchasing from the central stocks the opium required for internal consumption in the State provided—

- (1) that the opium is of good quality and meets the taste of consumers in the State; and
- (2) that the authority responsible for purchasing the opium and reselling to the States makes no profit on the transaction, the price to the States being adjusted so as merely to cover expenses.

2. The Committee then discussed the suggestion of the Government of India that the States should, after the stocks of old opium are exhausted, obtain their supplies of opium from the Ghazipur Factory.

The Ali-Rajpur Darbar will be prepared to take opium from the Ghazipur Factory, after the old stocks of opium in Central India and Rajputana have been exhausted, provided—

- (1) that the opium is of good quality and suitable to the taste of consumers in the State; and

chill and other disorders. But this practice is not so common in this part of the country. Among certain communities there was a practice of distributing *Kasumba* (weak opium solution filtered through felt) on certain ceremonial occasions, but it has practically disappeared. It is also administered as a curative drug to cattle and horses. There is hardly any person in the State who smokes opium.

(ii) Ball opium is used in the State.

(iii) Only raw opium is consumed in the State. Its exact chemical composition is not known, but it is supposed to contain 10 per cent. morphine.

(iv) Reduction in the amount of opium consumed in the State is possible and desirable. And it can be effected by increasing the selling price. If it is proved ineffective the rationing system can advantageously be introduced. Every system has some drawbacks, therefore some moral pressure should also be exerted and the people should be made acquainted with the evils resulting from opium eating. And all this is possible with active co-operation from the neighbouring States and Estates. Of course some loss of revenue is estimated with the reduction in opium consumption; but the State can put up with that.

III. *Stocks of opium in the State.*—There is no old stock of opium in the State.

IV. *Smuggling out of the State.*—There is very little possibility of smuggling out of this State, because opium is not cultivated in the State. It is imported on State account and supplied to retail vendors. The rates of supply and retail sale, giving very little margin to the vendors, are fixed by the Darbar. Only possibility of smuggling is when the smugglers can make out good profit outside the State. The present preventive arrangement is quite adequate. The Darbar are however willing to consider any proposal to improve it.

V. *Purchase from Ghazipur.*—We do not know what sort of Ghazipur opium is and whether or not the people would prefer it to Malwa or Mewad opium. If the Government of India would like to monopolize cultivation and supply of opium, we are afraid, it will cost dear on account of costly administrative staff engaged on the Department. The transit charges will also be heavy.

VI. *The policy suggested by the Government of India.*—The policy would be quite agreeable to the State. It has already dis-selling price to a level with that in the adjoining British districts, of course, with the co-operation of all the neighbouring States and Estates. Opium can also be purchased from Ghazipur; the only objection to it will be that the cost of growing and manufacturing opium at Ghazipur and the transit charges from Ghazipur to Ali-Rajpur are likely to be heavy.

REPORT FOR THE BAONI STATE.

PIRZADA MOHAMMAD HASAN, B.A., LL.B., *Chief Secretary of the Baoni State, is the Committee Member representing the State.*

A Note signed on the Terms of Reference, Hasan on behalf of, the Darbar, is accompaniment to this Report.

There is no 'poppy' cultivation in the State, and there are no stocks of opium in the hands of merchants or private persons. The Committee's discussion has therefore been mainly concerned with the following three points of importance, in regard to which the Committee unanimously records the conclusions given below:—

1. The President explained that a scheme is under discussion having for its object the purchase and storage in godowns in a central position of all stocks of old opium at present in the possession of merchants and private persons in Central India and Rajputana. These stocks are roughly estimated at 25,000 to 30,000 maunds, and the object of the scheme is to enable them to be placed immediately under control and to be passed into consumption as quickly as possible.

The consumption in the Baoni State was 2 maunds 8 seers in 1926-27, representing in the population of 19,734 a consumption of 44.6 seers per 10,000.

The Baoni Darbar are prepared to assist the scheme outlined above, should it be brought into operation, by purchasing from the central stocks the opium required for internal consumption in the State, provided—

(1) that the opium is of good quality; and

(2) that the price of the opium will be such that the margin of taxation available to the State, represented by the difference between the cost of the opium and the warehouse rate then in force, will not be less than the State's present margin of taxation, which is approximately Rs. 47 per seer.

2. The Committee then discussed the suggestion of the Government of India that the States should, after the stocks of old opium are exhausted, obtain their supplies of opium from the Ghazipur Factory.

The Baoni Darbar will be prepared to take opium from the Ghazipur Factory, after the old stocks of opium in Central India and Rajputana have been exhausted, provided that the conditions specified under paragraph (1) above are fulfilled.

3. The third question discussed was the possibility of enhancing the selling price of opium in the State.

III. *Stocks of Opium in the State.*—On the 29th February 1928 the opium in stock in Baoni State was only 27 seers 15½ chatanks valued at Rs. 1,680 (taking its selling price). The stock is kept in charge of the State Excise-Inspector.

IV. *Smuggling out of the State.*—Smuggling out of Baoni State has occurred very rarely. The cause of smuggling is mainly the comparatively low price prevailing in State since the creation of a separate department of Excise Inspector in the State, smuggling is being effectively checked, and so far the present arrangement seems to be satisfactory. When gradually selling-prices prevalent in States will be appreciably increased, chances of smuggling will be further minimised.

V. *Purchase from Ghazipur.*—Baoni State likes the idea of purchasing opium from Ghazipur and the inhabitants of the State would prefer Ghazipur opium, but Baoni State would like to know beforehand as to what would be the cost price of Ghazipur opium, and whether it would be fixed for at least some years or would be fluctuating, and will Ghazipur undertake to meet Baoni State demands at all times and for ever.

VI. *The Policy suggested by the Government of India.*—Baoni State is quite willing to adopt the policy suggested by the Government of India, but the raising of the selling price to a level with that in the adjoining British districts, must be spread over several years, and the matter should be left to the option of the States concerned.

VII. *General.*—Nil.

Statement showing opium consumption, etc., in the Baoni State.

Years.	Opium consumption in the State.			Revenue from duty.			Revenue from license fees.			Total revenue from opium.		
	Mds.	Srs.	Obhs.	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
1922-23	3	13	12	3,611	4	0	2,325	0	0	5,936	4	0
1923-24	3	11	0	4,847	0	0	3,300	0	0	8,147	0	0
1924-25	2	26	1	4,454	0	0	3,000	0	0	7,454	10	0
1925-26	2	17	8	4,582	8	0	2,875	0	0	7,457	8	0
1926-27	2	7	13	4,127	3	0	2,900	0	0	7,027	3	0
Total	13	36	2	21,622	9	0	14,400	0	0	36,022	9	0
Average	2	31	3	4,324	8	2	2,880	0	0	7,204	8	2

REPORT FOR THE BARAUNDHA STATE.

SAIYED ABDUL MABUD, Diwan of Baraundha State, is the Committee Member representing the State.

A Note containing the information required on the Terms of Reference, supplied by Saiyed Abdul Mabud on behalf of the Darbar, is recorded by the Committee as an accompaniment to this Report.

There has been no poppy cultivation in the State since 1912, and the Darbar, while retaining the right to cultivate, have no intention of exercising that right. There are no stocks of opium in the hands of merchants or private persons. The Committee's discussion has therefore been mainly concerned with the following three points of importance, in regard to which the Committee unanimously records the conclusions given below:—

1. The President explained that a scheme is under discussion having for its object the purchase and storage in godowns in a central position of all stocks of old opium at present in the possession of merchants and private persons in Central India and Rajputana. These stocks are roughly estimated at 25,000 to 30,000 maunds, and the object of the scheme is to enable them to be placed immediately under control and to be passed into consumption as quickly as possible. The assistance required in this connection from the State would be limited to an agreement to purchase from the stocks so collected the opium that may be required from time to time for its internal consumption.

The consumption in the Baraundha State has recently been 4 maunds 20 seers annually but was reduced to 1926-27 to 3 maunds 20 seers. The figures include 1 maund 20 seers which is supplied annually by a special arrangement from the Ghazipur Factory for the consumption of the Chief and his family. The balance, for consumption by the population generally, is obtained at present from Indore. The consumption of 3 maunds 20 seers represents in the population of 15,912 a consumption of 88 seers per 10,000.

The Baraundha Darbar are prepared to assist the scheme outlined above, should it be brought into operation, by purchasing from the central stocks the opium required for internal consumption in the State (apart from that required by the Chief and his family) provided—

- (1) that the opium is of good quality and meets the taste of consumers in the State; and
- (2) that the price of the opium will be such that the margin of taxation available to the State, represented by the difference between the cost of the opium and the warehouse rate then in force, will not be less than the State's present margin of taxation, which is approximately Rs. 38.

2. The Committee then discussed the proposal of the Government of India that the States should, after the old stocks are exhausted, obtain their supplies of opium at cost price from the Ghazipur Factory.

The Baraundha Darbar will be prepared to take opium from the Ghazipur Factory, after the old stocks of opium in Central India and Rajputana have been exhausted, subject to the two conditions specified in paragraph 1 above being fulfilled.

3. The third question discussed was the possibility of enhancing taxation upon opium in the State.

The State realized by taxation in 1926-27 approximately Rs. 3,040 in the shape of duty and profit and Rs. 1,000 in the shape of license fee on issues to the State shops of approximately 2 maunds, the average realizations per seer being thus Rs. 38 from duty and Rs. 12 from license fee. The warehouse rate at present is Rs. 50 per seer and the retail sale price Rs. 65.

The Baraundha Darbar are prepared to raise the selling rate of opium in the State to a degree corresponding as nearly as possible with that in force at present in British India, provided—

- (1) that the enhancement is carried out by gradual stages;
- (2) that the same price is enforced in all the neighbouring States; and
- (3) that the Darbar are satisfied that the price is not so high as to cause undue hardship to legitimate consumers.

Opium required by the retail licensees is issued to them at present by the wholesale licensee from a stock kept in his possession. The Darbar recognize the importance of keeping all stocks of opium in a State warehouse and are prepared to introduce the system of issue to all retail licensees direct from the warehouse.

J. A. POPE, *President.*

'ABDUL MABUD,

G. HENDERSON,

'AZIZUDDIN AHMED,

} *Members.*

Dated Sutna, the 13th March 1928.

Accompaniment to Baraundha State Report.

Information regarding Terms of Reference.

2. (a) *Nil.*

(b) About Rs. 4,000.

(c) No revenue is derived from export of opium to other States.

(d) Nil.

(e) Nil.

II. The revenue from opium is about $\frac{1}{11}$ of the total revenue of the State, which is about Rs. 45,000 per annum.

III. The approximate expenditure for regulating and controlling the distribution of opium amounts to Rs. 400. The Excise Inspector keeps the account of opium stock, who is also allowed the services of Peon for periodical inspection of shops both Excise and Opium and Hemp Drugs.

V. No estimate of loss due to smuggling from the adjoining States can be made as no cases of smuggling have been brought to light.

VI. The opium is supplied to the retail contractors at Rs. 50 per seer and is sold by them to customers at Rs. 65 per seer. The price can be gradually increased, but this will adversely affect the State finances.

VII. The supply of opium for consumption by the Chief is obtained from the Government Factory, Ghazipur, at Rs. 26 per seer (cost price) while that for issue to the retail contractor is obtained from Malwa Factory, Indore, the latter at Rs. 11-9 per seer, including railway freight to the demand being met in the first instance, from stocks held in the State referred to, but this will raise the cost of opium to the State in the case of supplier from Ghazipur, the increase amounting to about Rs. 15 per seer, reducing the State's revenue proportionately unless a corresponding increase in issue price is made simultaneously.

II. (i) Opium is used as a medicine and it is also given to children from three months to three years of age, mostly by working classes to lull them to sleep while their mothers are at work. It is also smoked by certain rich and poor persons alike. The adults also use it to relieve the ailments of cough and Rheumatism and to counteract the adverse effect of injurious water. It is not possible to hazard a guess as to the quantity of opium consumed by each of the above classes separately.

(ii) Malwa opium is used in the form of balls.

(iii) Chandu is the only preparation of opium made in the state for consumption by the smokers. It is prepared as follows:—

Opium is boiled and then it is filtered, the substance obtained is then made into small "Chhita" or balls which are smoked through pipes.

(iv) It is not impossible to effect a substantial reduction in the quantity of opium consumed in the State by raising the selling price, but this will, as stated against paragraph 2 (vi) adversely effects the State revenue.

III. This is I think for reply by the States that cultivate opium and hold large stocks. The limited stock stored in the State Godown is either for supply to the retail Licensee or for the Chief and his families' private consumption. The entire stock is kept under the

lock and key of the Chief. There is no reason to suppose that there is any smuggling of opium out of the State. The preventive staff consists of one Excise Inspector and a peon. The present staff does not in my opinion need strengthening at present. The question of the supply of opium from Ghazipur has been dealt with in reply to the paragraph above 2 *vii*. The consumers will, as a matter of fact, prefer Ghazipur opium to the opium now supplied to them but they will not be able to bear the rise in price.

VI. I am in favour of the Government policy of maximum revenue from minimum consumption, but the prices can only be raised very gradually as any abrupt increase will inevitably result in shrinkage of State revenue.

REPORT FOR THE BARWANI STATE.

Khan Sahib MEHERJIBHOY HORMUSJI, Judicial Minister, is the Committee Member representing the State.

A Note containing the information required on the Terms of Reference, supplied by the Dewan of Barwani State on behalf of the Darbar, is recorded by the Committee.

There is no poppy cultivation in the State, and although the Darbar desire, as a matter of form, to retain the inherent right of producing opium in the State, they have no intention of exercising this right except in the event of the cost of opium from any external source being raised to a prohibitive point. There are no stocks of opium in the State. The Committee's discussion has therefore been mainly concerned with the following three points of importance, in regard to which the Committee unanimously records the conclusions given below:—

1. The President explained that a scheme is under discussion having for its object the purchase and storage in godowns in a central position of all stocks of old opium at present in the possession of merchants and private persons in Central India and Rajputana. These stocks are roughly estimated at 25,000 to 30,000 maunds, and the object of the scheme is to enable them to be placed immediately under control and to be passed into consumption as quickly as possible. The assistance required in this connection from States which consume but do not produce opium would be limited to an agreement to purchase from the stocks so collected the opium that may be required from time to time for their internal consumption.

The consumption in the Barwani State in the last four years has been as follows:—

	Mds.	Seers.
1923-24	24	30
1924-25	24	2
1925-26	23	29
1926-27	24	22
TOTAL	97	3

The average consumption has thus been 24 maunds 11 seers annually, representing in the population of 120,150 a consumption of 80 8 seers per 10,000.

The Barwani Darbar are prepared to assist the scheme outlined above, should it be brought into operation, by purchasing from the central stocks the opium required for internal consumption in the State, provided—

- (1) that the good quality of the opium is guaranteed,
- (2) that the authority by which the old stocks are bought and resold to the States makes no profit on the transaction,

the price charged being arranged so as merely to cover expenses.

2. It is estimated that a period of something like 10 years must elapse before the stocks of old opium will have passed into consumption. After that period the question will arise as to the means by which the States which consume but do not produce opium shall obtain the opium required for their internal consumption. In this connection the Government of India have suggested that States should receive their supply of opium at cost price from the Ghazipur Factory. The President stated that the present cost of opium from the Factory is Rs. 26 per seer. This is considerably greater than the present cost of opium obtained in Central India and Rajputana. It is hoped, however, that the cost of Ghazipur opium will be reduced, when the present large accumulations of stocks at the Factory have been diminished. Moreover the present price of opium in Central India and Rajputana is artificially low, being governed by the fact that there are very large stocks of opium and only a small market available for those stocks. Consequently there must in any case be an increase in the cost price of opium in Central India and Rajputana after the present stocks of old opium have ceased to exist. It is anticipated, therefore, that the disparity in price between the cost of Ghazipur opium and the cost of opium in Central India and Rajputana will be much less at the end of about 10 years than it is at present.

The Barwani Darbar will be prepared to take opium from the Ghazipur Factory, when the old stocks have been exhausted, provided—

- (1) that the opium is supplied by Government at cost price;
- (2) that it meets the taste of consumers in the State;
- (3) that the supply of opium from Ghazipur does not involve, at the time of its inception (*i.e.*, when the old stocks are exhausted), a very large immediate increase in the cost of opium to the State, and further that the margin of taxation available to the State, represented by the difference between the cost of the opium and the warehouse rate then in force, is not less than the present margin of taxation, which is Rs. 25 per seer.

3. The third question discussed was the possibility of enhancing taxation upon opium in the State, and the financial results of such a policy. The present annual consumption averages 971 seers. The State realises by taxation Rs. 25 per seer in the shape of duty and Rs. 10 per seer in the shape of license fee, the nominal selling price being Rs. 45 per seer. The net revenue derived from internal consumption thus averages approximately Rs. 34,000 annually.

The Barwani Darbar are prepared to raise the selling rate of opium in the State to a degree corresponding as nearly as possible with that in force at present in British India, provided—

- (1) that the enhancement is carried out by gradual stages;

(2) that the same price is enforced in all the neighbouring States;

(3) that the Darbar are satisfied that the price is not so high as to cause undue hardship to legitimate consumers.

It would perhaps be possible in this way to raise the selling price within a decade to Rs. 80 per seer and ultimately to Rs. 100. Assuming that the State's profit from taxation were ultimately Rs. 70 per seer, and assuming that in consequence of the increase in price the consumption were to fall to an average of 50 seers per 10,000 or about 600 seers altogether, the State's revenue from taxation would then be Rs. 42,000.

J. A. POPE, *President.*

MEHERJIBHOY HORMUSJI,

G. HENDERSON,

AZIZUDDIN AHMED,

} *Members.*

Dated Indore, the 23rd February 1928.

Accompaniment to Barwani State Report.

Information on the points enumerated in the Terms of Reference concerning the Barwani State, which is an opium consuming and not Poppy growing State.

I. 2 (i) (b) The revenue derived from internal consumption is Rs. 50,000. The approximate cost to the State per every seer of opium issued from the State Warehouse to the retail vendors comes to Rs. 11 whereas the Warehouse rate is Rs. 36 per seer, and the Licence fees nearly Re. 1 per seer.

(c) *Nil*, as no opium is being exported to other States the Barwani State being not a Poppy growing State.

(e) *Nil*.

(ii) The percentage of the Revenue from opium as compared to the total Revenue of the State is 4.04.

(iii) *Nil*.

(v) *Nil*, as so far there have been no cases of smuggling from outside the State.

(vi) The present cost comes to Rs. 11 per seer, and the selling price of opium is Rs. 36 per seer. The selling price can gradually be raised. It may not affect the State's Finances, but will tell seriously upon the consumers, the majority of them being poor people of cultivating and other labour classes.

(vii) At present the supply of opium is mostly obtained from Indore Residency through the medium of the Excise Commissioner for Central India. In getting the supply of opium from Gazipur which is at a far off distance from Barwani, additional expenses on

account of Railway freight and other incidental charges will have to be incurred, and this would naturally affect the State's Finances to some extent.

II. (i) The opium is generally used in its original form by the cultivating and other labour classes as a tonic to give them fresh energy and vigour to work on their fields, etc. It is administered in a very small dose by the people of the above-mentioned classes to their children to lull them to sleep, so that the parents may get chance and sufficient time to attend to their work. It is very rarely used by people of higher classes. The Total Annual Consumption in the State comes to nearly 25 Maunds. It is not used on Matrimonial or other occasions. It is however used for medicinal purposes but in a very insufficient quantity. Opium smoking is quite unknown to this part of the country. The total Population of the State is 120,150 souls, and the average annual consumption per head comes to 7.98 Mashas or .35 grains. These figures more than sufficiently show that the opium is not at all used by the people of the State for any demoralizing purposes.

(ii) Ball-Opium is used in the State.

(iii) The opium is not prepared in the State but is imported from outside. The Physiological effects upon the consumers are not bad. The local opinion is that if opium is taken in its proper dose, and the opium eater takes substantial food it changes his colour to that of its flower and if he does not take substantial food the consumer gradually takes up himself to the colour of the opium.

(iv) Substantial reduction in the amount of opium consumed in the State can be effected by increase of selling price, by spread of Education and improvement in the economical condition of the people.

III. There are no stocks of opium in the State. Whenever required it is being imported from outside.

IV. As Poppy is not cultivated chances for smuggling out of the State do not at all exist.

V. As already stated above, Ghazipur opium will entail extra expenses on the State as compared to Malwa opium. Besides Malwa Opium is supposed to be superior to the Gazipur Opium, and is much liked by the people. The Gazipur Opium is not likely to meet with the liking of the inhabitants.

VI. The information regarding these points has already been furnished under items 1 (2) (vi) and (vii).

REPORT FOR THE BIJAWAR STATE.

QAZI AMIRUDDIN AHMAD, B.A., *Diwan of the Bijawar State, is the Committee Member representing the State.*

A Note containing the information required on the Terms of Reference, supplied by Qazi Amiruddin Ahmad on behalf of the Darbar, is recorded by the Committee as an accompaniment to this Report.

There is no poppy cultivation in the State, and there are no stocks of opium in the hands of merchants or private persons. The Committee's discussion has therefore been mainly concerned with the following three points of importance, in regard to which the Committee unanimously records the conclusions given below:—

1. The President explained that a scheme is under discussion having for its object the purchase and storage in godowns in a central position of all stocks of old opium at present in the possession of merchants and private persons in Central India and Rajputana. These stocks are roughly estimated at 25,000 to 30,000 maunds, and the object of the scheme is to enable them to be placed immediately under control and to be passed into consumption as quickly as possible.

The consumption in the Bijawar State in 1926-27 was 2 maunds 32 seers representing in the population of 111,723 a consumption of 10 seers per 10,000.

The Bijawar Darbar are prepared to assist the scheme outlined above, should it be brought into operation, by purchasing from the central stocks the opium required for internal consumption in the State, provided—

- (1) that the opium is of good quality and meets the taste of consumers in the State; and
- (2) that the price of the opium will be such that the margin of taxation available to the State, represented by the difference between the cost of the opium and the warehouse rate then in force, will not be less than the State's present margin of taxation, which is approximately Rs. 37 per seer.

2. The Committee then discussed the suggestion of the Government of India that the States should, after the stocks of old opium are exhausted, obtain their supplies of opium from the Ghazipur Factory.

The Bijawar Darbar will be prepared to take opium from the Ghazipur Factory, after the old stocks of opium in Central India and Rajputana have been exhausted, provided that the conditions specified under paragraph (1) above are fulfilled.

3. The third question discussed was the possibility of enhancing the selling price of opium in the State.

The consumption in 1926-27 was 2 maunds 32 seers. The State realized by taxation in that year approximately Rs. 32 per seer in the shape of duty and profit and Rs. 16 per seer in the shape of license fee, the total revenue from opium amounting to Rs. 5,406. The issue rate has, however, been raised with effect from July 1st, 1927 from Rs. 45 to Rs. 50 per seer and the retail selling rate from Rs. 75 to Rs. 80.

The Bijawar Darbar are prepared to raise the selling rate of opium in the State to a degree corresponding as nearly as possible with that in force in British India, provided—

- (1) that the enhancement is carried out by gradual stages; and
- (2) that the same price is enforced in all the neighbouring States.

J. A. POPE, *President.*

G. HENDERSON,
AZIZUDDIN AHMED,
AMIRUDDIN AHMAD, } *Members,*

Dated Nowgong, the 16th March 1928.

Accompaniment to Bijawar State Report.

Information regarding Terms of Reference.

2. (i) (b) *Revenue other than land revenue derived from internal consumption.*

The nett profit derived from internal consumption nearly amounts to Rs. 4,200 yearly on the purchase price.

- (e) *Any other form of revenue.*

The license fee is Rs. 1,800 annually.

- (ii) *The proportion that the total revenue of all kinds from opium bears to the total revenue of the state.*

Re. 1-8 per cent. on 4,00,000.

- (iii) *Expenditure upon the regulation and control of the cultivation, manufacture and distribution of opium and the nature of the arrangements for such control.*

Cost of distribution $\frac{1}{4}$ of the total staff (Rs. 204) yearly.

2 Excise Officers.

3 Excise Peons.

- (vi) *The present cost and selling price of opium, the possibility of gradually raising the latter and the effect upon the State's finances of such a policy.*

The present cost of opium is Rs. 12-14-2 per seer and the selling price is Rs. 50 per seer. The selling price gradually may be en-

hanced in co-operation with the neighbouring States. This would not be injurious to the State revenue and the benefits accruing from non consumption of opium would be considerable.

- (vii) *The present sources of supply and the possibility of meeting the demand in the first instance from stocks held in the States under consideration taken as a whole and ultimately from Ghazipur with special reference to the financial results of such a policy so far as these do not fall under any of the heads mentioned above*

Opium is imported from Indore through the Excise Commissioner in C. I. The State holds a stock for a year to meet the demand. The Ghazipur opium is dearer in cost than that of Indore and would mean less profit.

- II *Consumption in the State—(1) The manner in which opium is used, the purposes for and occasions on which it is used and the extent to which it is used and in particular to which it is administered to children*

Generally the opium is eaten in this locality in dry pills or small bits with the exception of some persons who use it in smoking in the form which is called Madak and Chundu. It is also used as medicine by old and weak persons in order to keep them safe from cold and cough and other diseases. It is used from 4 rattis to 3 mashas by adults and from $\frac{1}{4}$ ratti to 1 ratti by children for keeping them quiet.

- (ii) *The forms (ball, biscuit, etc.) in which opium is used in the State*

Ball opium is used in the State.

- (iii) *The chemical composition of opium when prepared for consumption in the manner prevalent in the State and its physiological effects upon the consumers when so consumed*

Opium is mixed with parched barley bran or Babul leaves in equal part called Madak which is prepared in small balls of 2 rattis for smoking. The smokers of Madak lose their energy and health.

- (iv) *The possibility and desirability of effecting a substantial reduction in the amount of opium consumed in the State the means (increase of selling price or otherwise) by which this could be effected and the financial or other obstacles to such reduction in so far as these have not been dealt with under any of the heads above*

It is most desirable to reduce opium consumption. This is possible by increasing selling price in Bijawar as well as all the adjoining territories. Financially it would mean no loss for the present.

III. *Stocks of opium in the State.*—*Their quantity, by whom they are held, their value, the extent to which they are already under State control and how best they could be disposed of.*

There is a stock of 4 Mds. worth Rs. 8,000 in the State which is kept in the State treasury under proper control.

IV. *Smuggling out of the State.*—*Its causes and prevalence, the preventive agencies in existence, their present effectiveness and the possibilities of their improvement.*

No smuggling occurs in the State. There are two Excise Inspectors in the State. In addition to these Tehsildars, Qanongoes and Police officers are empowered to check and watch the smuggling.

V. *Purchase from Ghazipur.*—*The advisability and practicability of the purchase of opium by the States from Ghazipur at cost price. How far the inhabitants of the States would be prepared to consume Ghazipur opium and whether Ghazipur could produce opium suited to their taste and needs.*

The State has no objection in purchasing the opium from Ghazipur on the condition that it may be supplied at the same cost as that of Indore. A sample of Ghazipur opium is suggested to be supplied to the State for testing the results as it has not been used by the inhabitants of this State.

VI. *The policy suggested by the Government of India.*—*The advisability and practicability of adopting the policy suggested by the Government of India namely the discontinuance of cultivation in the States, the purchase of opium by the States from Ghazipur at cost price and the adoption by the States of the policy of maximum revenue from minimum consumption so as ultimately to raise the selling price to a level with that in the adjoining British districts, thereby removing the incentive to smuggling and reducing consumption.*

There is no cultivation in the State. Ghazipur opium could be purchased provided it is supplied on the same price as that of Indore. The policy of maximum revenue with reduced consumption is wholly acceptable. The selling price should be the same in all the adjoining territories to prevent smuggling.

VII. *General.*—*Any other subjects relevant to the matters mentioned above.*

For the good of humanity opium smoking and eating should be suppressed. It will assist the moral and material progress of the

State In the interest of the physical and moral well being of His Highness' subjects a gradual enhancement of the selling price of opium is desirable

Statement showing consumption, duty and license fee on opium in the Bijawar State from 1922-23 to 1926-27.

Years	Opium consumed	Duty realised	License fees drawn	Total of duty and license fee	Remarks
	Mds Srs Ch	Rs A P	Rs A P	Rs A. P.	Rs
1922 23 .	2 4 14	2,186 5 0	905 8 0	3,091 13 0	30 Contractor's rate Rs 80 per seer at present
1923 24	2 32 14	2,237 8 0	813 5 0	3,050 0 0	33
1924 25 .	2 26 6	2,127 8 0	673 0 0	2,800 8 0	40
1925 26 .	2 29 10	2,711 14 0	1,255 0 0	3,966 14 0	45
1926 27	2 32 4½	3,606 6 0	1,799 2 1	5,405 8 1	45

REPORT FOR THE CHARKHARI STATE.

Diwan Bahadur MUNSHI RAUSHAN LAL, B.A., Diwan of the Charkhari State, is the Committee Member representing the State.

A Note containing the information required on the Terms of Reference, supplied by Diwan Bahadur Munshi Raushan Lal on behalf of the Darbar, is recorded by the Committee as an accompaniment to this Report.

There is no poppy cultivation in the State, and the Darbar while reserving the inherent right of opium production have no present intention of permitting cultivation. There are no stocks of opium in the hands of merchants or private persons. The Committee's discussion has therefore been mainly concerned with the following three points of importance, in regard to which the Committee unanimously records the conclusions given below:—

1. The President explained that a scheme is under discussion having for its object the purchase and storage in godowns in a central position of all stocks of old opium at present in the possession of merchants and private persons in Central India and Rajputana. These stocks are roughly estimated at 25,000 to 30,000 maunds, and the object of the scheme is to enable them to be placed immediately under control and to be passed into consumption as quickly as possible.

The consumption in the Charkhari State was 5 maunds 20 seers in 1926-27 representing in the population of 123,405 a consumption of 17·8 seers per 10,000.

The Charkhari Darbar are prepared to assist the scheme outlined above, should it be brought into operation, by purchasing from the central stocks the opium required for internal consumption in the State, provided—

- (1) that the opium is of good quality; and
- (2) that the price of the opium will be such that the margin of taxation available to the State, represented by the difference between the cost of the opium and the warehouse rate then in force, will not be less than the State's present margin of taxation, which is approximately Rs. 38 per seer in all tahsils except one, in which it is Rs. 48.

2. The Committee then discussed the suggestion of the Government of India that the States should, after the stocks of old opium are exhausted, obtain their supplies of opium from the Ghazipur Factory.

The Charkhari Darbar will be prepared to take opium from the Ghazipur Factory, after the old stocks of opium in Central India and Rajputana have been exhausted, provided that the conditions specified under paragraph 1 above are fulfilled.

3. The third question discussed was the possibility of enhancing the selling price of opium in the State.

The consumption in the State in 1926-27 was 5 maunds 20 seers. The State realized in that year approximately Rs. 44 per sear in the shape of duty and profit and Rs. 15 per sear in the shape of license fee (assuming half the license fee on opium and hemp drugs shops combined to be the share of opium alone); the total revenue from opium thus amounting to approximately Rs. 12,750. The retail selling rate at present is Rs. 70 per sear in all tahsils except one, in which it is Rs. 80, the issue rates being similarly Rs. 50 and Rs. 60.

The Charkhari Darbar are prepared to raise the selling rate of opium in the State to a degree corresponding as nearly as possible with that in force in British India, provided—

- (1) that the enhancement is carried out by gradual stages;
- (2) that the same price is enforced in all the neighbouring States; and
- (3) that the enhancement does not cause undue hardship to consumers.

J. A. POPE, *President.*

G. HENDERSON,

RAUSHAN LAL,

'AZIZUDDIN AHMED,

} *Members.*

Dated Nowgong, the 17th March 1928.

Accompaniment to Charkhari State Report.

Answers to the Terms of Reference.

I. The present situation specially in regard to Agriculture:

For a very long time, the cultivation of poppy in this State has been discontinued; and therefore any question pertaining to this item does not arise.

(2) FINANCIAL.

(i) The average revenue of the State derived from Opium may be classified thus:—

(a) As poppy is not cultivated in this State, the land revenue under this item is *nil*.

(b) The revenue to the State from opium used for internal consumption is about Rs. 8,400.

(c) There being no cultivation of poppy this State does not export opium to any other State hence there is no revenue derived from the export of opium to other States.

(d) The State does not sell any quantity of opium to the Government of India, hence there is no revenue derived from the sale to that Government.

- (c) There is no other form of revenue to the State excepting from the sale of opium to the contractors which has already been described above under sub-heading (b).

II. The proportion which the total revenue of all kinds from opium bears to the total revenue of the State is nearly 1 : 95.

III. As there is no cultivation of poppy plant in the State the question of regulation and control of its cultivation or manufacture or distribution does not arise.

IV. There being no adjoining areas where opium is cultivated no loss of revenue to the State due to illicit practices has been brought to notice.

V. The rate of sale of opium in some of the adjoining States and Jagirs is reported to be less than that in this State which must lead to contraband opium coming in this State. Hence there must be some loss in revenue but the exact amount cannot be stated.

VI. The present cost price of opium is about Rs. 12 per seer and its selling price is Rs. 80 per seer. In case this State gradually raises the latter along with and in the same proportion to other adjoining States and British territories thus making the entry of contraband opium an impossibility, the effect upon the States finances from such a policy will be wholesome as the amount of increased duty per seer will counterbalance any loss sustained on account of reduced consumption.

VII. The supply of ball opium is obtained at present from Indore whence purchases are made from year to year. There are no stocks of opium held in this State hence the question of any possibility of meeting the demand from it does not arise. After the stocks of Indian States taken as a whole are consumed Ghazipur opium will be welcome, if with regards to its quality and price it does not in any way fall inferior to that supplied from Indore. In choosing between Ghazipur and any other place such as Indore the State reserves to itself the fullest freedom to make the best and most profitable bargain.

VIII. As this State cultivates no poppy for the Government of India, this question so far as this State is concerned does not arise.

II. *Consumption in the State.*

(i) Generally speaking opium is consumed by eating small pills and smoking—the latter in form of ‘Madak’ and ‘Chandu’. Leaving the habituals, it is used on marriage occasions and other joyous festivities. Small babies are generally supplied with its small doses often once a day amounting to nearly half a ratti or so.

(ii) Ball opium is imported and used in this State.

(iii) There is, as far as is known no special chemical composition of opium prepared in the State for consumption.

(iv) The desirability of effecting a substantial reduction in the amount of opium consumed is very great both on humanitarian and

REPORT FOR THE CHHATARPUR STATE.

*Rai Bahadur PANDIT SUKHDEO BEHARI MISRA, B.A.,
Diwan of Chhatarpur State, is the Committee Member representing the State.*

A Note containing the information required on the terms of Reference, supplied by Rai Bahadur Misra on behalf of the Darbar, is recorded by the Committee as an accompaniment to this Report.

There is no poppy cultivation in the State and there are no stocks of opium in the hands of merchants or private persons. The Committee's discussion has therefore been mainly concerned with the following three points of importance, in regard to which the Committee unanimously records the conclusions given below:—

1. The President explained that a scheme is under discussion having for its object the purchase and storage in godowns in a central position of all stocks of old opium at present in the possession of merchants and private persons in Central India and Rajputana. These stocks are roughly estimated at 25,000 to 30,000 maunds, and the object of the scheme is to enable them to be placed immediately under control and to be passed into consumption as quickly as possible.

The consumption in the Chhatarpur State was 3 maunds 34 seers in 1926-27 representing in the population of 166,549 a consumption of 9·2 seers per 10,000.

The Chhatarpur Darbar are prepared to assist the scheme outlined above, should it be brought into operation, by purchasing from the central stocks the opium required for internal consumption in the State provided—

(1) that the opium is of good quality; and

(2) that the price does not exceed the cost of any alternative source of supply, including cultivation in the State.

2. The Committee then discussed the suggestion of the Government of India that the States should, after the stocks of old opium are exhausted, obtain their supplies of opium from the Ghazipur Factory.

The Chhatarpur Darbar will be prepared to take opium from the Ghazipur Factory, after the old stocks of opium in Central India and Rajputana have been exhausted, provided that the Darbar shall be entitled to claim in respect of the price and all other conditions attaching to the supply of Ghazipur opium and also in respect of the reservation and exercise of the right to produce opium in the State, treatment no less favourable than that accorded to any other State or Estate in Bundelkhand. The Darbar also desire that any necessary increase in price should be restricted to the lowest possible limit.

3. The third question discussed was the possibility of enhancing the selling price of opium in the State.

The consumption in the State in 1926-27 was 3 maunds 34 seers. The State realized in that year approximately Rs. 32 per seer in the shape of duty and profit and Rs. 15 per seer in the shape of license fee, the total revenue from opium thus amounting to approximately Rs. 7,400. The issue price, which was Rs. 45 per seer in 1926-27, has been raised since the close of that year to Rs. 50. The present selling price is about Rs. 70 per seer.

The Chhatarpur Darbar consider that, in view of the lower average income of the population of the State compared with that of the United Provinces, and also of the fact that the cost of living in the State is at present comparatively cheaper, the retail sale price of opium in the State cannot be raised to the level in force in the United Provinces. Subject to this limitation the Darbar are prepared to increase their retail sale price so far as may be possible, provided—

- (1) that the enhancement is carried out by gradual stages;
- (2) that the same price is enforced in all the neighbouring States; and
- (3) that the enhancement does not in the opinion of the Darbar cause undue hardship to legitimate consumers.

J. A. POPE, *President.*

S. MISRA,

G. HENDERSON,

AZIZUDDIN AHMED,

} *Members.*

Dated Nowgong, the 19th March, 1928.

Accompaniment to Chhatarpur State Report.

Information regarding Terms of Reference.

2. (i) (b) *Revenue other than land revenue derived from internal consumption.*

'About Rs. 4,742 as duty and Rs. 3,200 as license fees total Rs. 7,942.

- (ii) *The proportion that the total revenue of all kinds from opium bears to the total revenue of the State.*

It is about 1.05 P. C. of the total revenue of the State which is Rs. 7,56,000.

- (vi) *The present cost and selling price of opium, the possibility of gradually raising the latter and the effect upon the State's finances of such policy.*

Present cost Rs. 13 per seer. Sale price Rs. 65 per seer. Not proper to raise its price any further for at least some years to come.

- (vii) *The present sources of supply and the possibility of meeting the demand in the first instance from stocks held in the States under consideration taken as a whole, and ultimately from Ghazipur, with special reference to the financial results of such a policy so far as these do not fall under any of the heads mentioned above.*

The present source of supply is Indore. There are no stocks in the State worth the name. We get supplies sufficient for each year from Indore. The opium from Ghazipur was found much dearer than that of Indore. Hence the proposal about Ghazipur has been dropped, its quality is no doubt better but price is too high.

- II. *Consumption in the State.*—(i) *The manner in which opium is used, the purposes for and occasions on which it is used and the extent to which it is used and, in particular, to which it is administered to children.*

The habituated opium eaters use opium on an average of $\frac{1}{4}$ tolas per day per head while it is given to little children about two rattis at a time in order to keep them quiet. The number of habituated opium eaters is gradually diminishing. Some opium is used for medicinal purposes as well. No statistics for these heads exist.

- (ii) *The forms (ball, biscuit, etc.) in which opium is used in the State.*

Ball opium.

- (iii) *The chemical composition of opium when prepared for consumption in the manner prevalent in the State and its physiological effects upon the consumers when so consumed.*

It is given to the consumers in the shape in which it is received from Indore. It is supposed to produce some laziness among habitual eaters, while for medicinal purposes it is all right.

- (iv) *The possibility and desirability of effecting a substantial reduction in the amount of opium consumed in the State, the means (increase of selling price or otherwise) by which this could be effected and the financial or other obstacles to such reduction in so far as those have not been dealt with under any of the heads above.*

The league of nations allows 6 seers per 10,000 of population per annum, while the Secretary of State allows 30 seers. We used to consume about 11 seers per annum per 10,000 of population this has gone down to 9.32 during 1927. We are thus well within the proper limits. There is no smuggling of opium from this State to any outside place. The other questions under this question do not arise in this State.

III *Stocks of opium in the State, their quantity, by whom they are held, their value, the extent to which they are already under State control and how best they could be disposed of*

There are no stocks worth the name. We get through the Excise Commissioner for Central India annually such opium as we require and keep it in the State Treasury for issuing the necessary quantities to contractors from time to time. Our opium is thus entirely under the State control already.

IV *Smuggling out of the State—Its causes and prevalence, the preventive agencies in existence, their present effectiveness and the possibilities of their improvement*

Nil. We have two Excise Inspectors with peons to check smuggling and look after other Excise matters. The Police and the Tahsil officials are also expected to help the Darbar and the Excise Inspectors in this connection.

V *Purchase from Ghazipur—The advisability and practicability of the purchase of opium by the States from Ghazipur at cost price. How far the inhabitants of the States would be prepared to consume Ghazipur opium and whether Ghazipur could produce opium suited to their taste and needs*

It has been enquired into and found much dearer than that of Indore and the consumers are not anxious to make any change in this direction. The Indore opium costs Rs 13 per seer while the Ghazipur opium can be had for Rs 29 per seer. Some special arrangements shall have to be made to bring down its price and quality so as to bring them on a level with that of Indore, if the Indore opium is to be discarded in favour of that of Ghazipur.

VI *The policy suggested by the Government of India—The advisability and practicability of adopting the policy suggested by the Government of India, namely, the discontinuance of cultivation in the States, the purchase of opium by the States from Ghazipur at cost price and the adoption by the States of the policy of maximum revenue from minimum consumption so as, ultimately, to raise the selling price to a level with that in the adjoining British Districts, thereby removing the incentive to smuggling and reducing consumption*

We have no cultivation of opium even now. We can purchase the Ghazipur opium in place of that of Indore only under conditions just mentioned under question No V. The policy of maximum revenue from minimum consumption has been in force in the State for many years, but the ultimate aim mentioned in this question of bringing our level of prices to that in the adjoining British Dis-

tricts is not acceptable as it is expected to inflict loss on the State as well as its subjects. So far as our State is concerned, it is felt that we have already done our bit as compared to other States and British India (*Vide* statements VI and II prepared by the Government in this connection.) It has to be kept in view that at places where opium is cultivated, the figures for consumption represent much lower than the actual consumption which goes on stealthily also.

Statement showing consumption, duty and license fee of opium for the last five years in the Chhatarpur State.

Years.	Consumption.	Duty.	License fees.	Remarks.
	Mds. Srs	Rs.	Rs.	
<u>1979</u> 1922-23	4 21	3,110	2,967	Contracts for opium and hemp drugs are auctioned combined. Hence the license fee has been calculated roughly. No separate accounts are kept.
<u>1980</u> 1923-24	4 28	4,844	3,164	
<u>1981</u> 1924-25	4 5	5,280	2,870	
<u>1982</u> 1925-26	4 11	5,475	2,568	
<u>1983</u> 1926-27	3 34	4,977	2,400	
<u>1984</u> 1927-28	..	...	...

REPORT FOR THE DATIA STATE.

Babu BISHAN DAS CHOPRA, B.A., LL.B., Superintendent of Customs and Excise in the Datia State, is the Committee Member representing the State.

A Note containing the information required on the Terms of Reference, supplied by Babu Bishan Dass on behalf of the Darbar, is recorded by the Committee as an accompaniment to this Report.

There is no poppy cultivation in the State, and there are no stocks of opium in the hands of merchants or private persons. The Committee's discussion has, therefore, been mainly concerned with the following three points of importance, in regard to which the Committee unanimously records the conclusions given below:—

1. The President explained that a scheme is under discussion having for its object the purchase and storage in godowns in a central position of all stocks of old opium at present in the possession of merchants and private persons in Central India and Rajputana. These stocks are roughly estimated at 25,000 to 30,000 maunds, and the object of the scheme is to enable them to be placed immediately under control and to be passed into consumption as quickly as possible.

The consumption in the Datia State was 5 maunds 15 seers annually, representing in the population of 148,659, a consumption of 14·5 seers per 10,000.

The Datia Darbar are prepared to assist the scheme outlined above, should it be brought into operation, by purchasing from the central stocks the opium required for internal consumption in the State, provided—

(1) that the opium is of good quality; and

(2) that the price is not excessive.

2. The Committee then discussed the suggestion of the Government of India that the States should, after the old stocks of opium have been exhausted, obtain their supplies of opium from the Ghazipur Factory.

The Datia Darbar will be prepared to take opium from the Ghazipur Factory, after the old stocks of opium in Central India and Rajputana have been exhausted, provided that the conditions specified in paragraph 1 above are fulfilled.

3. The third question discussed was the possibility of enhancing taxation upon opium in the State.

The consumption in the State in 1926-27 was 5 maunds 5 seers. The State realized by taxation in that year approximately Rs 23 per seer in the shape of duty and profit and Rs. 19 per seer in the shape of license fee, the total revenue from opium being Rs. 8,774. The present cost price is Rs. 12 per seer, the issue price Rs. 35, and the retail selling rate Rs. 55.

The Datia Darbar are prepared to raise the selling rate of opium in the State to a degree corresponding as nearly as possible with that in force in British India, provided—

- (1) that the enhancement is carried out by gradual stages; and
- (2) that the same price is enforced in all the neighbouring States.

4. The Darbar, however, wish it to be understood that nothing in the above agreement affects the inherent right of opium production in the State.

J. A. POPE, *President*.

G. HENDERSON.

AZIZUDDIN AHMED, } *Members.*
BISHANDAS.

Dated Nowgong, the 16th March 1928.

Accompaniment to Datia State Report.

Information regarding Terms of Reference.

(2) FINANCIAL.

(i) *The average revenue derived by the State from Opium under the following heads:—*

(b) *Revenue other than land revenue derived from internal consumption.*

Rs. 4,593-13-6. It being the difference in cost and selling price on quantity usually consumed per year.

(e) *Any other form of revenue.*

Monopoly for sale of intoxicating drugs is given for Rs. 8,700 including Bhang, Ganja, Charas and Opium. The last named may be said to bring about Rs. 4,180.

(ii) *The proportion that the total revenue of all kinds from opium bears to the total revenue of the State.*

1: 180.

(iii) *Expenditure upon the regulation and control of the cultivation, manufacture and distribution of opium and the nature of the arrangements for such control.*

There being no cultivation or manufacture, hence the question about control in respect of them does not arise. Distribution

for internal consumption is made through a local contractor, who has shops in different villages easily within the reach of the consumers. Excise Inspectors are making constant tours to see that the drugs are not adulterated and also control and watch all other questions relating to such distribution. All this is done under the supervision of Excise Superintendent, annual expenditure about excise on the whole is Rs 1,548 out of which opium may be said to cost about Rs 750

(v) *Loss of revenue due to smuggling of opium from outside the State*

Nil, as authorities are very vigilantly guarding against smuggling

(vi) *The present cost and selling price of opium, the possibility of gradually raising the latter and the effect upon the State's finances of such a policy*

Cost price is Rs 12 per seer, sale price to the contractor is Rs 35 per seer who is bound to sell it at Rs 55 per seer. Raising the price would cause considerable decrease in sale which will adversely affect the contractor and through him to the State

(vii) *The present sources of supply and the possibility of meeting the demand in the first instance from Ghazipur with special reference to the financial effects as far as these do not fall under any of the heads mentioned above*

The present source of supply is Chittorgarh. No stocks are held by the State. The Darbar has no objection to purchase it from Ghazipur if the quality and price are the same

II *Consumption in the State*—(i) *The manner in which opium is used the purposes for and occasions on which it is used and, in particular, to which it is administered to children*

Generally it is taken in small pills of different quantity between 4 ratis to 1 masa with a cup of water. It is sometimes taken as medicine, but generally as an intoxicant. No specific occasions can be named, because it is taken by aged or low class men as a matter of habit. It is given to children but not in more than 10 per cent cases

(ii) *The forms (ball, biscuit, etc) in which opium is used in the State*

Sometimes people form madhral out of it. It is done by boiling opium in little water and mixing leaves of *Bamur* tree into it. Then they smoke the dried thing which is called Madhak

- (iii) *The chemical composition of opium when prepared for consumption in the manner prevalent in the State and its physiological effects upon the consumers when so consumed.*

It only weakens the nerves and eats into the vitality, thus reducing the consumer to a mere skeleton.

- (iv) *The possibility and desirability of effecting a substantial reduction in the amount of opium consumed in the State, the means (increase of selling price or otherwise) by which this could be effected and the financial or other obstacles to such reduction in so far as these have not been dealt with under any of the heads above.*

It is certainly desirable to reduce the consumption of Opium as it will considerably improve the material and moral tone of the people. It is possible to do so by raising the price and imposing certain other restrictives on the sale, for instance, disqualifying minors from purchase.

III. *Stocks of opium in the State. Their quantity, by whom they are held, their value, the extent to which they are already under State control and how best they could be disposed of.*

There being no cultivation or manufacture of opium here, there are no big stocks. It is imported from Chittorgarh only in such quantity as will suffice for 4 months annual consumption being about five maunds. The stock is held by the Excise Superintendent who issues it to contractor in required quantity.

IV. *Smuggling out of the State. Its causes and prevalence the preventive agencies in existence, their present effectiveness and the possibilities of their improvement.*

Smuggling out of State is strictly prohibited. Excise Department is always watching it and the contractors have a severe warning not to sell it to persons whom he suspects that they would smuggle.

V. *Purchase from Ghazipur. The advisability and practicability of the purchase of opium by the States from Ghazipur at cost price. How far the inhabitants of the States would be prepared to consume Ghazipur opium and whether Ghazipur could produce opium suited to their taste and needs.*

If opium of the same quality can be supplied to us from Ghazipur as at Chittorgarh, the Darbar has no objection. Here opium has never been supplied from Ghazipur therefore it can't be said whether it would suit the taste and needs of the people or not.

VI. *The policy suggested by the Government of India. The advisability and practicability of adopting the policy suggested by the Government of India, namely, the discontinuance of cultivation in the States, the purchase of opium by the States from Ghazipur at cost price and the adoption by the States of the policy of maximum revenue from minimum consumption so as, ultimately, to raise the selling price to a level with that in the adjoining British districts, thereby removing the incentive to smuggling and reducing consumption.*

The State is not cultivating already. If Ghazipur can supply opium of the same quality at the same price, purchase will be advisable. Raising the selling price to the level of British districts would stop smuggling, but it would considerably reduce consumption, thus the contractor will be adversely affected and so the State Finance. The Darbar is prepared to co-operate with the Government in the adoption of the policy of maximum revenue from minimum consumption, but wish it to be understood that this agreement will not affect the inherent right of opium production in the State.

Note.

There is no cultivation of poppy in the State at present. Opium is obtained for internal use only from Chittorgarh at Rs. 12 or Rs. 13 per seer. The Darbar have not got any stocks. The annual consumption in the State is about 5 maunds and the total population of the State is 148,650, average consumption of opium per 10,000 is 13 seers 7½ chhataks. It is used by low class children and old people as a stimulant and for medical purposes. Poppy seed is also commonly used in the State. The contract for selling opium and drugs is sold by auction every year and brings about Rs. 8,700 a year. No separate figure can be given for opium. There is no smuggling from the State as very efficient staff is employed by the Darbar to check and control the sale. The Superintendent of Excise and his Inspectors and Supervisors tour all the year round and inspect shops. The Darbar have already raised the selling price of opium to Rs. 55 per seer and are prepared to adopt the policy of maximum revenue and minimum consumption if the other surrounding States also agree to it. The increase in price is sure to decrease the consumption considerably and cause loss of revenue but the Darbar with the object of co-operating with the Government and other States will do anything to raise the price gradually to the extent of Rs. 80 or even Rs. 100 per seer. The effect of raising the price during the last year was great and consumption fell from 7 maunds 35 seers to 5 maunds 16 seers. The Darbar are quite prepared to purchase opium from the central stocks and after it is exhausted from Ghazipur provided the price is not greatly in excess

and the sovereign rights of the State to cultivate poppy at any time for internal consumption are reserved.

BISHANDAS CHOPRA, B.A., LL.B.,

Excise Superintendent, Datia.

I.—Opium consumption in the State for the last five years.

Year.	Quantity			Cost price per seer.
	Mds.	Sr.	Ch.	
1922-23	5	19	14	18
1923-24	7	35	9	18
1924-25	5	16	9	18
1925-26	6	18	9½	12
1926-27	5	15	5½	12

II.—Revenue from Duty in the State in the last five years.

Year.	Duty.		Rate.	Sale price.
	Rs.	A. P.		
1922-23	2,795	1 6	12	30
1923-24	3,573	12 0	12	30
1924-25	3,581	1 6	17	35
1925-26	4,567	2 6	23	35
1926-27	4,593	13 6	23	35

III.—Revenue from license fee on opium shops in the State in the last five years.

Year.	Revenue from license fee
	Rs.
1922-23	4,200
1923-24	4,950
1924-25	4,300
1925-26	5,000
1926-27	4,180

NOTE.—License for Opium, Bhang, Ganja and Charas is given altogether to one licensee. The above Revenue figures have been got by proportion.

NOTE.—The financial year is July to June in the State.

REPORT FOR THE DEWAS STATE, SENIOR BRANCH.

*MANKARI RAGHUNATH PARASHIRAM TIPNIS is the
Committee Member representing the State.*

A Note containing statistical and other information required in connection with the Terms of Reference, supplied by Mankari Tipnis on behalf of the Darbar, is recorded by the Committee.

Poppy cultivation in the State is carried on at present to a nominal extent only, and only for the production of opium required for internal consumption. There are no stocks of old opium, except a quantity of 38 maunds 20 seers which is the property of the Darbar and is kept in the State Warehouse. The Committee's discussion has, therefore, been mainly concerned with the following three points of importance, in regard to which the Committee unanimously records the conclusions given below:—

1. The President explained that a scheme is under discussion having for its object the purchase and storage in godowns in a central position of all stocks of old opium at present in the possession of merchants and private persons in Central India and Rajputana. These stocks are roughly estimated at 25,000 to 30,000 maunds, and the object of the scheme is to enable them to be placed immediately under control and to be passed into consumption as quickly as possible. This appears to be the only effective method of relieving the congestion of stocks, preventing smuggling from these stocks, preventing the international criticism occasioned by smuggling, and securing uniformity in the opium arrangements of the States of Central India and Rajputana.

The Dewas (Senior Branch) Darbar, recognising the importance of these proposals both in their international aspect and as a means of improving the opium arrangements and benefiting the excise revenues of the States, will be prepared to assist the scheme outlined above, should it be brought into operation, by discontinuing poppy cultivation in the State and by purchasing from the central stocks the opium required for internal consumption until the stocks are exhausted, provided—

- (1) that the right of the State to produce opium is safeguarded under all conditions;
- (2) that the good quality of the opium is guaranteed;
- (3) that the authority by which the old stocks are bought and resold to the States makes no profit on the transaction, the price charged being arranged so as merely to cover expenses.

2. It is estimated that a period of something like 10 years must elapse before the stocks of old opium will have passed into consumption. After that period the question will arise as to the means by which the States shall obtain the opium required for their

internal consumption. In this connection the Government of India have suggested that States should receive their supply of opium at cost price from the Ghazipur Factory. The President stated that the present cost of opium from the Factory is Rs. 26 per seer. This is considerably greater than the present cost of opium obtained in Central India and Rajputana. It is hoped, however, that the cost of Ghazipur opium will be reduced, when the present large accumulations of stocks at the Factory have been diminished. Moreover the present price of opium in Central India and Rajputana is artificially low, being governed by the fact that there are very large stocks of opium and only a small market available for those stocks. Consequently there must in any case be an increase in the cost price of opium in Central India and Rajputana after the present stocks of old opium have ceased to exist. It is anticipated, therefore, that the disparity in price between the cost of Ghazipur opium and the cost of opium in Central India and Rajputana will be much less at the end of about 10 years than it is at present.

The Dewas (Senior Branch) Darbar will be prepared to take opium from the Ghazipur Factory, when the old stocks have been exhausted, provided—

- (1) that as before the right of the State to produce opium is safeguarded in all circumstances, and may be exercised at any time if the conditions stated in the next three provisos are not fulfilled;
- (2) that the opium is supplied by Government at cost price;
- (3) that it meets the taste of consumers in the State;
- (4) that the cost of Ghazipur opium is not greatly in excess of the cost of any alternative source of supply, whether by purchase from other States or by cultivation in the State.

3. The third question discussed was the possibility of enhancing taxation upon opium in the State, and the probable financial results of such a policy. The present consumption (that of the year 1926-27) is 18 maunds 16 seers, representing in the population of 77,005 an average consumption of 95.6 seers per 10,000. The State revenue from taxation in 1926-27 was Rs. 15,029 in duty and warehouse profit and Rs. 4,250 in license fee, giving a total revenue of Rs. 19,279 or approximately Rs. 26 per seer consumed.

The Dewas (Senior Branch) Darbar are in full agreement with the policy of maximum revenue from minimum consumption, and they are prepared to raise the selling rate of opium in the State to a degree corresponding as nearly as possible with that in force in British India, provided—

- (1) that the enhancement is carried out by gradual stages;
- (2) that the same price is enforced in all the neighbouring States;
- (3) that the Darbar are satisfied that the price is not so high as to cause undue hardship to legitimate consumers.

It would perhaps be possible in this way to raise the selling price within a decade to Rs. 60 or Rs. 80 and ultimately to Rs. 100. Assuming that the State's profit from taxation on a selling price of Rs. 100 were Rs. 70 per seer, and assuming that in consequence of the increase in price the consumption were to fall to 50 seers per 10,000 or about 38½ seers altogether, the State's revenue from taxation would then be Rs. 26,950 compared with the present revenue of Rs. 20,750.

J. A. POPE, *President.*

AZIZUDDIN AHMED, }

R. P. TIPNIS, }

G. HENDERSON, }

Members.

Dated Indore, the 7th March 1928.

Accompaniment to Dewas State, Senior Branch, Report.

*Statistical and other information required in connection with the
Terms of Reference.*

I. (1) (a) The extent to which poppy is cultivated in the Dewas State (Senior) is shown in the following statement:—

1 Years.	2 Cultivated Area in Acres	3 Actual Yield of crude opium.	4 Average yield per Acre.
		Mds. Srs. Tola.	Srs. Tola.
1917-18	67 07	6 28 0	4 2
1920 21	196 00	12 10 0	2 40
1922-23	296 35	50 10 24	6 60
1923 24	352 34	67 27 5	7 55
1925 26	5 26	0 25 7	5 0
1925 27	2 26	0 6 47	3 0
1927 28	0 49	0 6 17	12 55
Average	---	-----	6 0

(b) Poppy is cultivated in black soil of the best quality of irrigated land. It is irrigated about 8 times. Irrigation is done by "Mots" (Leather Buckets) driven by a pair of bullocks.

(c) Fluctuations in the yield of crops, owing to seasonal conditions, are shown in column 4 of the statement under (a) above.

(d) Poppy cultivation is profitable from the cultivator's point of view, as compared with other crops. Approximate estimate of expenses and income of poppy and other crops per acre are given below:—

Rs. A. P.

(1) Poppy—

(i) Expenses—

Poppy Seed	2	0	0
Manuring, Lancing, Weeding, etc.	18	0	0
	<hr/>		
	20	0	0
	<hr/>		

(ii) Income—

Price of 6 seers of crude opium	60	0	0
Poppy seed	25	0	0
Bhusa, etc.	5	0	0
	<hr/>		
	90	0	0
	<hr/>		

(2) Wheat—

(i) Expenses—

Seed	4	8	0
Manure, weeding, etc.	4	8	0
	<hr/>		
	9	0	0
	<hr/>		

(ii) Income—

3 maunds	16	0	0
Bhusa, etc.	2	0	0
	<hr/>		
	18	0	0
	<hr/>		

Land tax for irrigated land growing poppy or other crops is same. Export duties on agricultural produce:—

- (1) Jowar, Maize, Tiwadya, Kangni, onions, sanbij, per Mani, Re. 1.
- (2) Wheat, Bajra, Paddy, Jav, Tuar, Moong, Urad, Masoor, Batla, Chavala, Tiwadya, Pulse, Garlic, Raw red pepper, per Mani, Rs. 2.
- (3) Pulses of all kinds, Rajgira, Methidana, Poppy seed, Suwa, per Mani, Rs. 3.
- (4) Rai, Sarsu, Ajwan, per Mani, Rs. 4.
- (5) Unginned cotton, Alsi, Tilli, Goor, Red pepper, Rameli, per Mani, Rs. 5.

(6) Tobacco (dry) per 100 bundles, Rs. 2-8.

(7) Tobacco (green), per 100 bundles, Re. 1-4.

(8) Sugar Canes, per cart load, Re. 1.

Export duties on cattle:—

(1) Sheep and Goats, per head, As. 3.

(2) Ass, Mule, he-buffalo, Cow, per head, As. 6.

(3) Bullock, she-buffalo, per head, As. 12.

(4) Horse, Camel, per head, Re. 1.

(e) Sugarcane or wheat can be substituted for poppy, but these cannot be as profitable as poppy.

(2) (i) (a) The State grows poppy for internal consumption. The assessment for the land growing poppy is the same as for irrigated land. The assessment varies from Rs. 10 to Rs. 15 per acre of irrigated land, according to the quality of the soil. In the next settlement it may be increased 25 per cent.

(b) Crude opium is purchased from Rs. 9 to Rs. 11 per seer from cultivators. The Warehouse rates including duties are Rs. 35 per seer in Dewas and Bagod, Rs. 30 per seer in Sarangpur, and Rs. 25 per seer in Alot (the rates of duties being Rs. 15, Rs. 10 and Rs. 5 per seer, respectively). The license fee realizations on opium for the year 1926-27 amounted to Rs. 4,250 approximately, the opium consumed being 18 maunds 15 seers 15 tolas (average of license fee income comes to Rs. 5-12 per seer).

(c) The State does not export opium.

(d) Opium was not sold to the Government of India for the last many years.

(e) Nil.

(ii) The total revenue of the State for the year 1926-27 is Rs. 8,14,356, and the total revenue of all kinds from opium for the same year is Rs. 20,750. The proportion of the opium revenue to the total State revenue is 2-6.

(iii) There is no special establishment for opium work only. The establishment maintained is for Excise and Customs and hence approximate share of opium establishment would amount to Rs. 600 annually. Besides Kamavisdars of Parganas are *ex-officio* Excise Officers, for their respective Parganas and as such do all the work in connection with the control and supervision of opium and the detection of offences against the Excise Law of the State, and are not given special allowances.

The cost of manufacture is Re. 1 per maund, and that of distribution is Rs. 10 per maund.

(iv) and (v) The loss of revenue to the State under these heads cannot be estimated.

(vi) The cost price of crude opium is Rs. 10 per seer and the selling price (exclusive of duty) from the Warehouse charged to the licensees is Rs. 20 per seer. There is a possibility of very gradually

raising the selling price to a certain limit, but such raising entirely depends on the co-operation of the bordering States.

(vii) The present source of supply is in the cultivation of poppy in the State and the stock held by the State will suffice to meet the demand for internal consumption for two years.

(viii) The State does not cultivate poppy for the Government of India.

II. (i) Opium is used in three ways, *viz.*, it is swallowed, smoked or drunk. It is used by habit for intoxication, and there are no special occasions on which it is used. It is generally used to the extent of three Mashas ($=\frac{1}{4}$ of a tola) by adults and old men, and to that of 1 to 2 rattis (about 2 to 3 grains) in the case of children.

(ii) It is used in the form of "battis" (cakes) in the State.

(iii) The chemical composition of opium prepared in the State for consumption is of consistency 75° and it is free from adulteration. (*Vide* letter No. 1315-Exc., dated the 30th April 1917, from the Excise Commissioner for Central India, to the address of the Chief Excise Officer, Dewas State, Senior.)

III. The present stock of opium is 38 maunds 19 seers 18 tolas, is owned by the State and is under the control of the State. It is for internal consumption only, and is valued at Rs. 30,784-8, at the rate of Rs. 20 (exclusive of duty) per seer.

IV. The opium is solely owned by the State and hence there is no room for its smuggling out of the State. The Excise, Revenue, and Police staffs are employed in the prevention and detection of smuggling and the present arrangements serve the purpose.

V. The Ghazipur opium is not used in the State and hence the information under this head cannot be supplied.

Mr. Tipnis suggests that if opium is supplied to States from Ghazipur there should be a depôt in Central India to enable opium to be transported in bulk to Central India from Ghazipur and so to save freight charges. He desires that this suggestion should be placed on the record.

This may be included in Dewas Senior Branch file.

7th March 1928.

J. A. POPE.

REPORT FOR THE DEWAS STATE, JUNIOR BRANCH.

Mr. T. N. ROY, M.A., LL.B., was the Committee Member representing the State at the earlier meetings, and Mr. K. SUBBA RAO, B.A., Political Member of the Cabinet, represented the State at the final meeting.

A Note containing information with regard to the Terms of Reference, supplied by the Darbar, is recorded by the Committee as an accompaniment to this Report.

The Committee unanimously records the following conclusions:—

I.—OLD STOCKS OF OPIUM.

There are no old stocks of opium in the hands of merchants in the Dewas State, Junior Branch, stocks being entirely confined to opium in the possession, and stored in the warehouse, of the Darbar.

The quantity of opium at present in the Darbar's possession is 19 maunds 36 seers, out of which 18 seers are manufactured and ready for issue to the retail shops and 19 maunds 18 seers are in the form of crude opium.

The consumption in the State in the last three years has been as follows:—

	Md.	S.	T.
1924-25	15	37	35
1925-26	17	13	70
1926-27	13	12	35
Average	15	21	20

The Darbar has thus in stock rather more than one year's consumption.

The consumption in 1926-27 was equivalent to an average of 79.4 seers, per. 10,000 of population.

The question has been discussed of participation by the Darbar in a scheme, to be formulated hereafter, for the absorption of the old stocks of opium in Central India and Rajputana by purchase of all stocks from a central fund, to which fund the opium producing States will (if they so desire) be contributaries, and the sale of these stocks to the States for the purpose of internal consumption. In this connection the Darbar desires to continue production for the Government of India so long as it is possible for that production to continue. The Darbar also retains in all circumstances its inherent right of producing opium for internal consumption in the State. But it is prepared, in furtherance of the scheme for abolishing the old stocks and subject to the co-operation of other States in that scheme, to abandon temporarily the production of opium for

internal consumption until such time as the old stocks have been consumed.

II.—PRODUCTION OF OPIUM IN THE STATE.

The Darbar's agreement with Government for the production of crude opium is for a quantity of 135 maunds annually. In addition about 20 maunds of crude opium are required at present for internal consumption.

The area under poppy in the State was in 1926-27 about 500 acres, but it is stated that owing to deficient rainfall in recent years and to the recent reduction in the price paid by Government for opium this is somewhat less than the area required to produce 155 maunds. A reasonable estimate of the area required to meet the present demand is 750 acres.

The revenue derived by the Darbar from this source falls under three heads:—

- (1) Out of the purchase price paid by Government for the opium, the Darbar retains only one rupee per seer which is equivalent to Rs. 5,400 for a total quantity of 135 maunds.
- (2) License fees are realised from the cultivators amounting approximately to Rs. 600 annually.
- (3) The irrigation rate charged for land cultivated with poppy varies from Rs. 16 to Rs. 20 per acre. For the same land put under other crops but still irrigated the rate varies from Rs. 9 to Rs. 14 per acre. Assuming that the loss in land revenue owing to the prohibition of poppy cultivation is approximately Rs. 6 per acre, the present profit from this cultivation will be Rs. 6×750 or Rs. 4,500.

The total present revenue derived by the Darbar from poppy cultivation is thus approximately Rs. 10,500.

Against this must be set the increase in revenue from sales of opium at State shops likely to be realised if opium cultivation is prohibited. It is estimated that if cultivation were similarly discontinued in neighbouring States, the increase of excise revenue from opium might perhaps amount in about five years to Rs. 1,500.

There would also be a saving to the Darbar in the cost of the Joint Opium Officer's establishment, amounting at 3 annas per seer of opium delivered to Rs. 1,012, and in the cost of local establishment and expenses, amounting on the average of the last two years to Rs. 683. The total saving would thus be Rs. 1,694.

Taking all factors into consideration, it thus appears reasonable to estimate the loss of revenue likely to occur, if poppy cultivation is abandoned, at about Rs. 9,000 annually, to be reduced within five years to about Rs. 7,500.

The total revenue of the Darbar in the last three years has been as follows:—

	Rs.
1924-25	6,48,893
1925-26	6,32,077
1926-27	6,16,814
Average	<u>6,32,595</u>

The incidence of Rs. 9,000 of revenue sacrificed to total revenue according to the average of the last three years is thus 1.4 per cent.

The Darbar, however, attaches far more importance to the loss that would be inflicted upon the cultivators in the State if opium production were discontinued. This subject has been discussed but the Committee, while recognizing that the loss would be serious, is not prepared to estimate it in terms of money value. The question is being separately considered.

The Darbar desires that the claim of the State to share in the production of opium for internal consumption in India as a whole may be sympathetically considered.

III.—FINAL ARRANGEMENTS FOR SUPPLY OF OPIUM FOR INTERNAL CONSUMPTION IN THE STATES OF CENTRAL INDIA AND RAJPUTANA.

In approaching this question the Committee recognise that the time for giving effect to any decision reached is still comparatively distant. It will probably be ten years before the old stocks of opium in Central India and Rajputana are absorbed. In the event of the State having at that time no external market for its opium, the Darbar will be prepared to take from Ghazipur the opium required for its internal consumption, provided—

- (1) that the Government of India makes no profit on the transaction;
- (2) that the cost of Ghazipur opium is not greatly in excess of the cost of any alternative source of supply;
- (3) that the agreement to take Ghazipur opium will be limited to a specified period of years.

IV. THE POSSIBILITY OF ENHANCING TAXATION UPON OPIUM AND THE PROBABLE FINANCIAL EFFECT OF THIS POLICY.

The Darbar agrees generally with the policy of maximum revenue from minimum consumption, and is prepared to raise the selling price of opium to a degree corresponding as nearly as possible with the selling rate in British India, provided—

- (1) that the increase is carried out by gradual stages;
- (2) that the same increase is carried out in all neighbouring States; and

- (3) that the Darbar is satisfied that the enhancement will not cause undue hardship to legitimate consumers in the State.

The consumption in 1926-27 was 13 maunds 12 seers. The revenue from this consumption included Rs. 4,384 from license fees, Rs. 6,686 from duty and Rs. 3,724 representing, at an average of Rs. 7 per seer, the profit from sale of the State opium to licensed vendors. The total revenue was thus Rs. 14,794 or nearly Rs. 28 per seer. The present maximum selling price is Rs. 40. If the selling price were raised ultimately to Rs. 100 per seer, leaving a profit to the State of Rs. 70, and if as a result of the increase in price consumption were to fall to 30 seers per 10,000 or to about 200 seers sold in the State shops, the total revenue would then be Rs. 14,000 or approximately the present figure.

J. A. POPE, *President.*

AZIZUDDIN AHMED, }

G. HENDERSON, }

K. SUBBA RAO, }

Members.

Dated Indore, the 23rd March 1928.

Accompaniment to Dewas State, Junior Branch, Report.

Note regarding points in the Terms of Reference.

I. The present situation especially in regard to—

(1) AGRICULTURE.

(a) See Table No. 1.

(b) In this State Ringnód Pergana produces the best kind of opium. Poppy thrives in (Bardi) light brown soil—such land as is classed as excellent or No. 1 in the classification of soils.

On an average seven waterings are necessary and water is given as a rule from wells and drawn by bullocks Chadas.

(c) The consensus of opinion of the cultivators who grow opium is that this crop is not in any way more affected by the fluctuations of seasonal conditions than other crops.

(d) Advantages:—

(1) Short timed crop. Gets out of the soil in 5 months.

(2) General belief that it improves the soil.

(3) Financially far more profitable than any other crop.

(4) Ready market.

No disadvantages.

(e) It is very difficult to substitute any other crop for poppy and derive the same advantages. One certain effect of prohibiting poppy cultivation will be the decrease in the irrigated area.

(2) FINANCIAL.

(a) Land under poppy is assessed at Rs. 16 to Rs. 20 per acre; and on this general basis the income to the State under land revenue for land under poppy can be calculated.

We have no figures for area kept separately for opium produced for the Government and for internal consumption.

For (b), (c) and (d), see Table No. II.

(e) We have an income from "License Fees" estimated at Rs. 600 to Rs. 800 for permission granted to cultivate opium under licenses granted.

(ii) See Table No. II.

(iii) These items will be found in Table No. III. But the Head Quarter staff is not included in these calculations.

Nature and arrangement for control—

1. No cultivation is allowed except under a special license in areas specified.
2. The Joint Opium Officer is the Adviser in opium cultivation matters.
3. All produce is collected under the direct supervision of State Officials.
4. All the produce has to be sold to the State.
5. Cases of deviation from these conditions are dealt with in a befitting manner.

(iv) There is undoubtedly some loss but there are no data available to estimate this.

(v) Few cases have been detected of opium smuggled into the State and there is no incentive for illicit import into the State as the selling prices here are comparatively low.

(vi) The present cost and selling price are as follows:—

1. Cost price is Rs. 20 per seer.
2. The selling prices of opium in retail sale shops are fixed from Rs. 30 to Rs. 40 per seer in different Perganas of the State.

The selling price may gradually and slowly be increased to double the existing rate without serious diminution in the revenue derived from this source.

(vii) Present source of supply is local production. For other particulars under this head, please see conclusions of the Committee.

(viii) Please see conclusions of the Committee.

II. *Consumption in the State.*—(1) Opium is consumed raw. Opium smoking is prohibited. Opium is used for medical purposes, and also as an habit. But the number of persons of the latter class is getting less every day, so also the tendency to administer opium to children is lesser every day and mostly restricted to the lower classes.

(2) Usually Biscuit opium is issued for sale.

(3) No chemical analysis has been got done. But the physiological effects must be similar to those prevailing in other parts of India.

(4) Substantial reduction in the amount of opium consumed can be effected by reduction in number of shops maintained, increase in the selling price of opium, reduction in the quantity of opium allowed to be possessed by any individual at a time and by retailing out fixed quantities by Perganas for sale every year, provided other neighbouring States and Governments follow the same policy.

III. *Stocks of opium in the State.*—No stocks.

IV. *Smuggling out of the State.*—No cases detected so far.

V. and VI. Please see conclusions of the Committee.

TABLE No. 1.

Statement showing the area under opium.

Serial No.	Year.	Area actually under poppy. Acres.
1	1917-18	445-56
2	1918-19	198-76
3	1919-20	420-53
4	1920-21	483-96
5	1921-22	771-33
6	1922-23	1,299-72
7	1923-24	1,125-17
8	1924-25	921-34
9	1925-26	530-94
10	1926-27	415-95

TABLE No. II.
Statement showing the income of all kinds from opium (other than Land Revenue.)

Serial No.	Year.	License fee.	Duty.	Poppy cultivation.	Opium godowns.	Total income (columns 3, 4, 5, 6).	Gross income of the State.	Proportion of col. 7 with col. 9 (per hundred).	Gross income of the State exclusive of opium.	Percentage of opium income with gross income.	REMARKS.
1	2	3	4	5	6	7	8	9	10	11	12
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.		
1	1917-18.	4,382	2,612	1,333	183	8,510	4,37,741	1.71	4,89,229	1.9	
2	1918-19.	2,452	1,868	...	640	4,960	4,72,110	1.05	4,68,150	1.6	
3	1919-20.	2,052	2,713	...	6,705	12,470	5,75,413	2.16	5,62,942	2.2	Average of all ten years 28.
4	1920-21.	3,584	3,305	7,376	5,629	19,894	5,87,367	3.38	5,67,471	3.5	
5	1921-22.	3,176	4,946	288	6,508	14,818	5,70,682	2.59	6,55,869	2.6	
6	1922-23.	3,402	4,221	43,201	2,462	63,286	5,95,820	8.90	5,42,532	9.8	
7	1923-24.	3,834	4,288	18,607	1,376	27,905	6,45,250	4.34	6,17,214	4.5	
8	1924-25.	3,334	5,785	20,798	2,426	32,343	6,48,893	4.89	6,17,149	5.1	
9	1925-26.	3,754	5,601	6,669	3,313	19,262	6,32,077	3.04	6,12,814	3.1	
10	1926-27.	4,384	6,686	3,375-6-0*	6,100*	18,343	6,16,814	2.95	5,98,469	3.6	
	Average	...	...	..	...	...	...	3.5	...	...

* Cf. D. O. No. 263, dated 12th April 1928, from the Political Member, Dewas J. B.

TABLE No. III.

Statement showing the gross expenditure over opium cultivation.

S. No.	Year.	EXPENDITURE.	
		Local expenses over staff, etc.	Joint Opium Officer's establishment expenses.
1	2	3	4
		Rs.	Rs.
1	1917-1918	1,693	490
2	1918-1919	450	Nil.
3	1919-1920	484	Nil.
4	1920-1921	1,152	1,670
5	1921-1922	895	Nil
6	1922-1923	1,610	625
7	1923-1924	1,178	1,685
8	1924-1925	1,328	952
9	1925-1926	933	1,303
10	1926-1927	433	687

A B.—These figures do not include the expenses over the Headquarters staff of the Excise Department of the State.

REPORT FOR THE DHAR STATE.

Rao Bahadur K. NADKAR, Diwan of Dhar State, is the Committee Member representing the State.

A Note containing the information required on the Terms of Reference, supplied by Rao Bahadur Nadkar on behalf of the Darbar, is recorded by the Committee as an accompaniment to this Report.

Opium was produced in the State on a large scale in the time of the China trade, but after the closing of that trade in 1913 poppy cultivation was discontinued altogether for a period of six years. From 1919-20 onwards cultivation has been resumed on a small scale, for the production of opium required for internal consumption. The average amount of crude opium produced annually in the last five years has been 23 maunds. The present annual consumption is about 44½ maunds. The stocks of opium in the State amount to 212 maunds, out of which 77 maunds are the property of the Darbar and are kept in the State warehouse, and the balance of 135 maunds is the property of 9 merchants and is kept in the merchants' godowns. The quantity held by each merchant is registered and export is permitted only under license. Import of opium is prohibited.

The Committee's discussion has been mainly confined to the following three points of importance, in regard to which the Committee unanimously records the conclusions given below:—

1. The President explained that a scheme is under discussion having for its object the purchase and storage in godowns in a central position of all stocks of old opium at present in the possession of merchants and private persons in Central India and Rajputana. These stocks are roughly estimated at 25,000 to 30,000 maunds, and the object of the scheme is to enable them to be placed immediately under control and to be passed into consumption as quickly as possible.

Recognizing the importance of this scheme in the general interest, the Dhar Darbar are prepared to assist it by taking steps at once to bring into the State warehouse the whole of the merchants' stocks in the State, so that the stocks will henceforth be kept under full control. To assist the consumption of the old stocks the Darbar are further prepared voluntarily to abandon opium production in the State until the old stocks of opium in Central India and Rajputana have passed into consumption. The Darbar, however, retain in all circumstances their inherent right of opium production. When the stocks in the State have been consumed the Darbar will be prepared to purchase from the central stocks the opium required for internal consumption, provided that—

- (1) the good quality of the opium is guaranteed; and

- (2) the cost of the opium does not exceed the cost of production in the State, inclusive of interest, establishment charges, etc.

2. It is estimated that a period of something like 10 years must elapse before the stocks of old opium will have passed into consumption. After that period the question will arise as to the means by which the States shall obtain the opium required for internal consumption. In this connection the Government of India have suggested that States should receive their supply of opium at cost price from the Ghazipur Factory. The President stated that the present cost of opium from the Factory is Rs. 26 per seer. This is considerably greater than the present cost of opium obtained in Central India and Rajputana. It is hoped, however, that the cost of Ghazipur opium will be reduced, when the present large accumulations of stocks at the Factory have been diminished. Moreover, the present price of opium in Central India and Rajputana is artificially low, being governed by the fact that there are very large stocks of opium and only a small market available for those stocks. Consequently there must in any case be an increase in the cost price of opium in Central India and Rajputana after the present stocks of old opium have ceased to exist. It is anticipated, therefore, that the disparity in price between the cost of Ghazipur opium and the cost of opium in Central India and Rajputana will be much less at the end of about 10 years than it is at present.

The Dhar Darbar consider that the proposal in question (that the States should obtain opium from the Ghazipur Factory) will lead to satisfactory results only if all States in Central India and Rajputana and Gwalior concur in accepting it. Should this concurrence be obtained the Dhar Darbar will agree to take opium from Ghazipur on the same terms as other States. But if under the final arrangements in regard to opium a market is found for the opium of any States which (like Dhar) at present have no external market, then the Dhar Darbar desire that their claim in this respect should be considered.

3. The third question discussed was the possibility of enhancing taxation upon opium in the State and the probable financial effect of such a policy.

The consumption of opium in the State and the selling rates in the last five years have been as follows:—

Year.	Retail sale price per seer.			Consumption.	
	Rs.	A.	P.	Mds.	Srs.
1922-23	32	8	0	65	30
1923-24	32	8	0	62	4
1924-25	32	8	0	67	26
1925-26	40	0	0	51	17
1926-27	40	0	0	44	20

The consumption of 44 maunds 20 seers in 1926-27 represents, in the population of 230,333, an average of 77.2 seers per 10,000. The revenue from opium taxation in the same year was Rs. 48,134, representing a profit of Rs. 27 per seer of consumption. The present retail selling price is Rs. 40 per seer.

The Dhar Darbar agree generally with the principle of maximum revenue from minimum consumption, and are prepared to raise the selling rate of opium in the State to a degree corresponding as nearly as possible with that in force at present in British India, provided—

- (1) that the enhancement is carried out by gradual stages;
- (2) that the same price is enforced in all neighbouring States;
- (3) that the Darbar are satisfied that the price is not so high as to cause undue hardship to legitimate consumers.

If the selling price were thus ultimately raised to Rs. 120 per seer, the State's profit from taxation would probably be at least Rs. 80 per seer. Assuming that in consequence of the increase in price the consumption were to fall from $44\frac{1}{2}$ maunds to as little as 15 maunds (representing 26 seers per 10,000), the opium revenue would then be Rs. 48,000 or approximately the present figure.

J. A. POPE, *President.*

G. HENDERSON,

K. NADKAR,

AZIZUDDIN AHMED,

} *Members.*

Dated Dhar, the 3rd March 1928.

Accompaniment to Dhar State Report.

Answers to the Terms of Reference.

I, The present situation specially in regard to—

(1) AGRICULTURE.

(a) A statement showing the number of acres cultivated with poppy and the actual yield is herewith enclosed.

Perusal of the Statement will show how far the State has lost in revenue due to prohibition of poppy cultivation.

(b) The quality of the land on which opium is grown in Dhar State, Central India, is generally black cotton soil.

Nature of the soil is sticky with a little sub-soil percolation in Malwa while there is lighter soil in Nimad with murum sub-soil.

The amount of irrigation required for this crop varies generally with the locality and the climatic conditions. Generally 7 to 9

irrigations are required, at times the number of irrigations goes up to 12 even.

Arrangement of irrigation is generally by Mhots from wells, Ories and tanks. At places there is gravitational irrigation from tanks also.

(c) The liability of the yield of the crop is up to 25 per cent. due to mycological diseases, such as mildew and entomological pests like Aphis (plant lice) and hairy caterpillar but this is quite rare. These diseases and pests attack only when there is abnormal season such as continuous anti-showers and clouds.

Cold also plays the part of damage but this is also rare as the crop is then only growing. It may check the growth when there is ordinary frost but it kills the crop when there is dead frost only.

The yield of crude opium is affected greatly at the time of lancing (tapping) the capsules if the clouds appear, *i.e.*, humid climate affects the yield from 10 per cent. to 25 per cent.

This crop is practically immune from any sort of disease and insect-pests, in ordinary season.

The average yield per acre has been shown in a separate column in the Statement required under (a) above, *viz.*, No. 6.

(d) From the cultivator's point of view, opium cultivation does not pay under the present circumstances, as the cost of cultivation has gone nearly double while the price of the produce (opium) has fallen in inverse ratio due to prohibition of export, restrictions and heavy control. However, there are reasons on account of which cultivators have a special liking for this crop. The crop is practically immune from plant disease and insect-pests. The product is very handy and can be kept for a number of years awaiting for good market. Moreover, its preservation for years adds to the quality. Its harvest does not interfere either with Kharif or Rabi crops as it is grown in a period intermediate between the two seasons. Besides, it keeps up the fertility of the soil due to constant manuring and clean cultivation and it keeps up the family and even surrounding labour engaged. Again as it is a crop cultivated for generations the cultivator has a special liking for it, just as the Deccan cultivator has a hobby for sugarcane inspite of its high cost of cultivation. A statement giving statistical information required in this connection is herewith enclosed. Another statement showing export duty on agricultural produce is also enclosed herewith. No duty is levied on cattle when exported. Only registration fee is charged.

(e) On enquiry from the cultivators on the spot from village to village it has been ascertained that the cultivator has not yet been able to decidedly find out a better substitute for poppy, although its cultivation has been stopped for the last 15 years. Taking for granted that there are certain crops such as tobacco, chillies, potatoes, sugarcane, garlic, onion, ginger and turmeric, etc., which can go as its substitute to a certain extent but the cultivators find it

rather difficult to market the produce of these crops which are generally grown in almost all parts of India, while poppy is a crop, which is restricted by nature to a particular class of soil, locality and climatic conditions. Moreover, this is a tract which produces the best quality of opium in the whole of India having comparatively less percentage of morphine than opium produced elsewhere. So far, no better substitute amongst irrigated crops has yet been found out. The ultimate effect on the cultivator would have been drastic but for the substitution of Cambodia cotton introduced lately. But this being an unirrigated crop its effects have been dealt with separately under para. (2) Finance resulting in financial loss to the State.

Besides the statements of inquiry made regarding certain crops from the cultivators, for instance, sugarcane, tobacco and potato reveal that these crops leave a margin of profit in the cultivation, but they have not been approved and given preference to poppy for reasons given below:—

1. *Sugarcane*.—This is a crop which requires a cultivator to attend to it for nearly 11 months in the year. It requires big initial outlay in its preparatory tillage and purchase of seed. Moreover, there would be a great question of water supply as it requires constant irrigation throughout the year. But as the wells and tanks usually dry out in hot season there would be difficulty of maintaining such a costly crop in the hottest part of the year.

Even if there be water the cultivator overlooks irrigating this crop as the same interferes both with sowing and harvesting of Rabi crops which are a life to him in this tract.

Another reason why a cultivator does not prefer this crop is that sugarcane is the only crop standing in the hot season in a small area around the village and it is being greatly damaged by stray cattle in spite of heavy efforts of the cultivator to protect it. While poppy is a crop which grows in the season when tanks and wells have ample supply of water and plenty of grazing elsewhere nor does it interfere with sowing and harvesting of Rabi crops.

Had sugarcane been more profitable to cultivators in proportion to the trouble and labour, area under this crop would have surely risen by leaps and bounds during these years. This can be ascertained from the proportion of area under sugarcane when poppy was cultivated generally and after it was prohibited. Cultivators themselves are the best judges of these things and they are shrewd enough to take up such crops as are most profitable to them for even the slightest interest.

2. *Tobacco*.—This crop also does pay to a cultivator but it grows on well drained soils and cultivators have a religious prejudice against it, and if they have a suitable class of soil for it, they give it away on rent to outside tobacco growers who generally migrate from Gujrat and other parts of India. Under these circumstances the cultivators are not in a position to derive a real profit from this crop as they are not actual growers.

Over and above tobacco is a tender and delicate crop which is greatly affected even by the slightest cold and anti-showers which are generally usual in this part during the growing period of this crop.

3. *Chillies*.—It is also a crop like tobacco restricted to particular villages only. This is generally grown by almost all the cultivators in a very small area for home consumption only. Garlic and onion are also similar crops.

4. *Potato*.—This is also a crop which is likely to pay if a cultivator could afford to buy seed which is very costly. Its outturn is equally huge which requires a very attractive market within the reach of the grower. This is one of the main difficulties to dispose of the produce.

Potato is a speculative crop as it is very much susceptible to climatic conditions, crop-pest, and plant diseases such as potato-moth, cut-worm, caterpillar, ring-worm disease and rizoctonia wilt and mildew at times. Other obstacles in the way of growing this crop is the question of storing the seed and produce of the crop. Usually the seed is annually to be imported from outside and is costly in the sowing season.

5. *Wheat*.—There is no aptitude or attraction to cultivators to grow this crop under irrigation as they have been growing it on extensive scale on dry land in this part of the country.

(2) FINANCIAL.

(i) The average revenue derived by the State from opium under the following heads:—

(a) No poppy is cultivated for supply to the Government of India or to other States except for internal consumption and hence no distinguishing figures can be given for the first two queries. The revenue derived by the State from land cultivated with opium for internal consumption has been shown in column 4 of Statement A enclosed. The land revenue derived from poppy is the same as for other irrigated crops.

The average rate per acre is Rs. 16. If poppy cultivation were abolished it is probable that the cultivator might give up irrigation and would use it as unirrigated manured land of which the assessment per acre would be reduced by 50 per cent., thus putting the State to a loss of Rs. 8 per acre at the present assessment rate and even more in the next Settlement.

(b) A statement showing revenue other than land revenue derived from internal consumption is enclosed.

An estimate showing the cost to the State of every seer of opium issued from the State Warehouse to the retail vendors is enclosed.

(c) For revenue other than land revenue derived from export to other States please see column 11 of the Statement D.

(d) No opium has been sold to the Government of India by the State.

(e) Details of any other revenue are given in column 12 of Statement 'D.'

(ii) A statement showing the proportion that the total revenue of all kinds bears to the revenue from opium is herewith enclosed:

Note.—In this statement income from all sources is taken for purposes of comparison.

(iii) A statement showing expenditure upon the regulation and control of cultivation, manufacture, and distribution of opium is enclosed herewith which includes information regarding the nature of arrangements for the control.

(iv) Opium is cultivated in few villages of Dhar Pergana in a very small area. The revenue staff supervises the cultivation, collection and transmission to the State Warehouse and hence no appreciable loss to the State due to illicit practices in those areas can be shown as it evidence from information furnished in Statement A.

(v) The rate of selling price of opium in the State is the same as is prevailing in the neighbouring States and therefore, smuggling of opium from outside the State is not paying as is clear since no smuggling cases have been detected since the re-organization of the Excise Administration in the State.

(vi) The present cost price at which opium is purchased from the wholesale dealers in the State is Rs. 10 to Rs. 12 per seer while the retail selling price is Rs. 40 per seer.

The possibility of gradually raising the selling price depends upon the co-operation of the neighbouring States, as the area of the State is a narrow stretch of territory surrounded by other States and intermixed with them. The effect of the policy of raising the selling price will be to reduce the consumption and in the case of Central India the fall is likely to be greater than proportionate income by higher price as is found to be the experience in the case of other excisable articles; hence the result would be detrimental to the finances of the State.

(vii) The present sources of supply are:—

(i) crude opium by cultivation, and

(ii) opium purchased from the wholesale dealers in the State.

The possibility of meeting the demand in the first instance from stocks held in the State taken as a whole is not much as the stock is very limited and cannot meet the demand for more than 3 to 4 years.

The financial result of purchasing opium for consumption from Ghazipur cannot be known until the rate at which it will be obtained from Government Warehouse is communicated to the Darbar.

Besides the stuff obtainable from Ghazipur is not known to be superior in quality to Malwa opium and it is doubtful whether it

will be given preference in this part of the country to Malwa opium by consumers. It is likely that the change may have adverse effects on the finances too.

The present cost price of manufactured opium of 97 consistency is Rs. 15 per seer on an average. The price paid to the cultivator at present is Rs. 10 per seer for crude. At this rate an estimate of the present cost of supply is as under:—

	Rs.	a.	p.
Prices of opium	10	0	0
Dryage (3 years)	2	8	6
Manufacturing charges	0	8	9
Interest for 3 years at 6 per cent.	1	12	0
Supervision and warehousing	2	4	0
TOTAL	17	0	0

(viii) This State does not cultivate opium for Government and no steps need be suggested. However, if Government so wish the State can cultivate and supply it.

II. *Consumption in the State.*—(i) Opium is generally used by habitual consumers by swallowing it in small pieces by smoking* and by sipping it in liquid form. In days gone by Rajputs and other people used to take opium in liquid form by allowing a quantity of it to be soaked into water and then taking it in company with their friends at the time of marriage and other festivals. The process explained is called *Kasumba* which is decreasing in the State. Opium is administered to children to the extent of 1 to 2 grains daily according to the age of a child, specially among the labour class of people with a view to lull a baby to sleep when its mother is engaged in some labour or household work. When a child attains an age of two years generally, the administering of opium is discontinued. The use of opium in this manner is also declining gradually.

Besides, some native doctors use this drug for medicinal purposes but the quantity of opium so used is very small.

(ii) Opium is used in the form of biscuits in the State.

(iii) Opium is not manufactured chemically in the State and hence its physiological effects on the consumers cannot be mentioned.

(iv) The consumption of opium is reduced to a large extent during the last 12 years and if the selling price is still enhanced its use will gradually diminish. The drug is popular with old people only and very few youngmen use it now as people have come to know that its effects are harmful. The number of consumers is sure to decrease in course of time and accordingly the quantity consumed will decline gradually. No educated person likes its introduction in his house now. The gradual reduction and ulti-

* The number of smokers is negligible.

mate extinction of the use of the drug will put the State to a heavy financial loss.

III. *Stocks of opium in the State.*—Statement H attached herewith will show the stocks of opium held by wholesale dealers in the State and by the State Godown. The stock with merchants is not much and will be purchased by the State in course of two or three years. The quantity with these wholesale dealers has been weighed and due registers of the stocks are kept in the Excise Department. No dealers can sell opium without permission.

IV. *Smuggling out of the State.*—Under the law prevailing in the State due registers are maintained of sale of each retail shop and the Excise Inspectors in their tours keep a proper check on sale. The maximum possession is limited to 3 tolas and no cases of smuggling out of the State are detected and reported so far.

V. *Purchase from Ghazipur.*—The explanation given above in paragraph I (2) will serve the purpose.

VI. *The policy suggested by the Government of India.*—As regards this, a detailed note* giving views of the Darbar has already been submitted to the Opium Conference held at Simla in May 1927.

Note.

I am here to-day to represent the views of the Dhar Darbar, whose readiness to co-operate in the fullest measure with the Government in the fulfilment of their international undertaking I have great satisfaction in stating. The Darbar are willing to adopt such measures as may be necessary to rectify the anomalies in the existing law. G.O. 453-1/26, dated the 27th Janua, has been issued on the opium question but total prohibition of the cultivation of poppy in the Indian States and especially in those States who produced best opium in some quantities without at least introducing in the scheme the element of proportionate compensation will, in the opinion of the Dhar Darbar, be embarrassing to the States. Properly controlled and only enough cultivation of poppy for domestic needs if British Provinces did not require supply from States, reduction of stocks as expeditiously as necessary with the help of the Government, steady equalisation of prices and proper check on the smuggling will meet the situation and criticism and complaints which are at present embarrassing to the Government. Under the auspices of the Government the administration in States has steadily improved and there is no need to be pessimistic about the future. The Dhar Darbar keep an open mind and will fall in with any scheme that may be adopted with a general consent and may not be in conflict with Darbar's just rights. This is in brief the Dhar Darbar's point of view, a note to explain which at some length I consider it helpful to hand over on this occasion.

Preamble.—The object of this short note is to outline the general question of the cultivation and consumption of opium in Indian States from the point of view of the Dhar Darbar.

The Political Agent in the Southern States of Central India forwarded under cover of his letter No. 1701-10/4/27, dated the 11th March 1927, a copy of letter No. 453-1/26, dated the 27th January 1927, from the Government of India in the Foreign and Political Department dealing with the above subject. This letter principally points out:—

1. *International obligation of the Government on behalf of India.*—That India by her ratification of the Hague Opium Convention of 1912 has pledged herself to—

(a) The ultimate suppression of opium smoking.

(b) The prevention of the smuggling of opium to China and other far Eastern countries.

2. By the ratification of the Convention in regard to dangerous drugs generally and agreement relating to opium concluded at the two International Conferences held at Geneva under the auspices of the League of Nations at the close of 1924 and the beginning of 1925, India has bound herself—

(a) To take effective measures to prevent the illicit traffic in opium from constituting a serious obstacle to the suppression of opium smoking.

(b) Whether this obligation has been fulfilled is to be determined by a Commission of the League that will visit the opium producing countries. Within fifteen years from the date on which this Commission pronounces that the countries concerned have fulfilled their obligation opium smoking is to be completely suppressed. Opium smoking is luckily rare in India as a whole. It is not so much, therefore, to suppress an abuse within her own territories that India has bound herself as to assist by every means in her power the endeavours of the various countries in the far East to rid themselves of the evil of smoking.

3. *To which States does the question affect and the problems facing them in view of the conditions at present prevailing within their borders and outside.*—The question mainly concerns Baroda, Gwalior and States in Rajputana and Central India. The arrangements in regard to these States that now procure opium from Provincial Governments are also a separate subject and lies out of the scope of Government's letter.

4. For Baroda no statistics are available but statistics for other States show—

(a) The consumption is 16 times in Rajputana and 8 times in Central India what is known as League's standard.

(b) There are accumulations of stocks in certain States that, as matters stand, it will take at least 30 years to absorb by legitimate consumption.

(c) At the same time extensive cultivation is carried on which correspondingly retarding the absorption of the old stocks.

(d) The enormous disparity between the selling prices of opium in the States of Central India and Rajputana and in British India respectively offer an irresistible incentive to smuggling far beyond their borders and even overseas.

The licit demand for opium in British India will inevitably decrease under the pressure of the restrictive policy of the Local Governments. The Government of India have been compelled to reduce alike the quantities of opium bought from the States and the price paid for it. There is little doubt that further reduction of both will be unavoidable. While the legitimate outlets for opium grown in the States are thus contracting the demand for illicit opium and the consequent inducement to smuggle will be intensified not only in India but outside her borders.

5. *The disadvantages the situation entails on the States.*—This letter further points out that from the point of view of the States also the situation presents many disadvantages:—

(a) Whatever views may be held as to the effects of the use of opium in moderation very large reduction of the present rate of consumption only would prove beneficial to the people alike physically, morally and economically.

(b) Nor can the Darbar any more than the Government remain indifferent to the stigma attaching in the eyes of the civilised nations to—

(i) the abuse of opium or

(ii) the responsibility that rests upon them for the smuggling of opium from their territories into British India or beyond it.

6. *Criticisms and complaints.*—Critics of the internal policy of the Government in regard to opium are not lacking. Where they point to excessive consumption of opium in India their criticisms are damaging and cannot be ignored. Besides the Commission of the League of Nations and the Central Board to be set up by the League can hardly fail to draw attention to the immense accumulations of opium in private hands in the States and to the potential danger that they constitute from the international point of view.

7. The Provincial Governments complain almost unanimously that no success can be expected in cleaning up the 'black spots' where the rate of consumption is still excessive, or in reducing the level of consumption generally, unless internal smuggling can be effectively repressed.

8. *The extent to which the Government wishes the Indian States to carry this obligation within their limits and whether under the present circumstances the Government can discharge their international obligation.*—While wishing to prevent excess the Government of India as well as the Local Governments do not desire to suppress the consumption of opium as an indulgence in other ways

than smoking. But the present situation in regard to the production and consumption of opium in Indian States gravely embarrasses the policy external and internal of the Government of India and Local Governments and thus it is clear that they cannot effectively discharge their international obligations in regard to the smuggling of opium so long as there is a large and as experience has shown, very leaky—reservoir of opium, over which they have no direct control in the midst of their territories and as they would be no longer responsible in the eyes of the world for matters over which they had no direct control.

9. *Suggested solution.*—The Government of India are already arranging at considerable expense to strengthen their preventive staff in adjoining British territory but they cannot hope by such measures to touch the root of the problem which lies in the large stocks existing in certain States and in continued over production.

Another solution, therefore, is suggested—

(i) The Government of India would undertake to produce all the opium required by the States.

(ii) These States (a) that now produce opium for their own needs and (b) that procure from other States, would procure it from the Government at cost price.

(iii) The level of selling prices in the States would be raised gradually to the level of prices in adjoining British territory.

(iv) A legitimate outlet would be found (by the Government) for the old stocks in the States.

10. *Advantages that would accrue to the States from the suggested solution.*—Advantages of this solution are outlined thus:—

(a) As the supply of fresh opium cultivated in the States dwindled and ultimately disappeared their absorption (of old stock) would proceed.

(b) The effect of high prices would inevitably be to reduce consumption in the States to moderate dimensions and the policy somewhat loosely described as that of maximum revenue and minimum consumption would automatically militate as the State will get their Excise on every tola of opium consumed.

(c) The incentive to smuggle opium out of the States into British India would be removed, and

(d) The incentive to smuggle it abroad will at least greatly diminish.

(e) To stop the leakage and to reduce it to moderate dimensions an elaborate and costly organization is necessary the maintenance of which is actually beyond the means of any Darbar.

(f) Moreover a luxury and especially a luxury for which the demand is diminishing is an unsecure foundation for the economic structure of any Society.

(g) Opium is a notoriously fickle crop. Other less delicate crops would provide a more stable and assured substitute than this pre-

carious luxury product, with its contracting market. Thus from the cultivator's point of view, it may be reasonably hoped that satisfactory substitutes for poppy could be found in other crops and in the long run the substitution of other crops for opium could be favourable to the real prosperity of the State and its people.

(h) The the fall of area under poppy during ten shows that the same did not cause financ its name to their cultivators and States, figures for whom are available.

II. In making the suggestion the Government has explained:—

That it is not the intention of the Government to derogate from the right of the States to manage their own domestic concerns and that they are fully aware of the financial aspect of this scheme being of great—to some States of perhaps vital importance. That to give effect to this policy might be the work of many years and that the object of the Conference is to win States' adherence at least in principle and to secure an expression of their willingness to co-operate in the investigation that will be an essential preliminary to any measure for (a) giving effect to the policy outlined by the Government or (b) to any other remedial measures, as the ultimate decision of the question must be the product of the joint deliberations of the Government and the Darbars and of their voluntary co-operation.

Darbar's points of view.—From the point of view of the Dhar Darbar the Government's letter fully sets forth the present situation of the opium question in its true perspective and their anxiety to arrive at a solution that will place them in a position to discharge their international obligation on behalf of India is one with which the Dhar Darbar is in fullest sympathy and they can assure the Government of their unlimited and hearty co-operation in this matter as in all other matters in the future as in the past.

The main object of the Conference, is, however, to afford an opportunity to the Darbar for a frank exchange of views and the Dhar Darbar respectfully submit that in their opinion the solution suggested will rather be too drastic in execution. From whatever point of view it may be looked at it will not be just to make the States who could and did produce good opium for the world markets depend even for their domestic consumption on outside production. It will not be a fitting reward for their ready co-operation which limited their area of poppy cultivation and their stocks of opium. The partnership of the Indian States who used to produce opium in some quantities and which may now in the interest of international welfare cease from producing same beyond their own needs is also a question worth consideration as an alternative. The prohibition of production of opium in Indian States without proportionate compensation in some shape or form will again be looked upon as one-sided and will unnecessarily give rise to speculation as to the future of any other drug that may as a result of the progressive ideas come to be regarded as dangerous to the general welfare of

the people. The States launched on the scheme of controlled cultivation with a sacred motive of rendering co-operation to the Government on the sincere understanding that there will appear no obstacles in the way of their cultivation of opium at least for their own use and that the temporary reduction of area under poppy cultivation will not put them under permanent disadvantage at any time. The opium cultivation in the Dhar State is at present and will be in the future properly controlled. The occasion does not demand entry into details of this control but it will suffice to say that the Dhar Darbar are willing to supplement their present system of control by the adoption of any advice that may come from Government to meet the present situation.

The main difficulties and Darbar's readiness to adopt any means and methods that may be laid down to meet them.—The main issues to contend against in the solution of the thorny question of the cultivation and consumption of opium in the Indian States as has been seen above are:—

- (i) The enormous accumulations in some of the Indian States;
- (ii) Additions that are being made to these accumulations owing to continued cultivations in those States;
- (iii) Enormous disparity between the selling prices in the States and adjoining British provinces;
- (iv) The greatest incentive that the three foregoing factors give to smuggling, and
- (v) The difficulties which beset the smaller States in the organisation of the preventive staff.

Remedies for reduction of accumulated stocks.—The Dhar Darbar's views in respect of the embarrassment caused by the accumulated stocks in the Indian States and the continued additions to them in States where cultivation is still in progress on a large scale are in perfect harmony with the views of the Government and they will concur in any reasonable ways and means that may be devised to reduce the stocks. In fact the Darbar in their State have restricted the cultivation of opium in order to achieve the very object.

As regards Central India in which the Dhar State lies, it is a matter of common knowledge that under the able advice of late Mr. Cox an Officer of proved capacity and competence, the Central Indian States have always done their best to co-operate with the Government. The Dhar Darbar do not now hold large stocks and it must be a matter of certainty that other States in Central India are not exception to this desired result in respect of their stocks. These States and such other few States as may have been somewhat adversely placed in this respect will certainly fall in with any scheme that will tend to reduce their stocks with all reasonable expedition.

Remedy for disparity of prices.—The question of equalising of the selling prices of opium in States and adjoining provinces will

offer some difficulty but it is well known that States are moving in the right direction and the rate of acceleration in order to march with the times if decided upon with due regard to the moral physical and economic condition of the society is sure again to appeal to those States in the desired direction.

Check on smuggling —The Dhar Darbar will not attempt justification of inadequate check in some States on opium smuggling on grounds of its prevalence in other areas and in the case of other drugs. Smuggling must be put down and must be put down with all energy and expedition. The smaller States as well must therefore rise to the occasion and this they will do. The Dhar Darbar for their part are willing and ready to adopt any means and methods that may be suggested or laid down in this direction. Smuggling is an administrative problem and cannot be out of reach of solution. The States which have moved with the time in the past are sure to maintain their tradition. The adoption of the opium law framed to give effect to the International Convention in their States as far back as 1922 is an instance in point.

The standard of consumption —The difficulty that looms large in the eyes of the Dhar Darbar is about the League standard of consumption. Of course the ideal will be reached in due course of time but as justly represented from the proper quarter on the proper occasion this standard need not be so and cannot be so low in India much less so in certain parts of the country. The Government has fully appreciated that the Opium Commission of 1894 has not considered opium-eating as dangerous.

The cultivation of Malwa opium —The Malwa opium has held its own all over the world. There are States which are owners of soil peculiar to Malwa and suited to the growing of best opium. It will be a very great hardship on even the small States to be told that they came under the prohibition. Administration of the present day costs money and the resources of finding that money require to be developed, of course, on modern lines and in the best interests of the Society.

Difficulty of substituting poppy by other crops —From the cultivator's point of view, he has not found any other substitute for poppy as paying and as convenient to grow. Poppy is a three months' crop and as wells and tanks in Central India must as a rule go dry in April crops like sugarcane, however latest and modern in conception, cannot take the place of poppy. Other crops such as wheat, etc., are too expensive although much less than sugar-cane but not as paying as poppy. They are not paying in this sense that their cultivation is more costly as compared with their value. The Dhar State had a very large area under poppy and this area has gone dry since Darbar's efforts to control opium cultivation. If the Darbar were to stop opium cultivation which cost them much less the drug will have to be purchased at much greater cost which will put the Darbar to loss too great to bear without losing all financial equilibrium. The Dhar Darbar are justly proud of their administration which they have never starved.

Opium smoking is on a very insignificant scale in Central India and much more so in the Dhar State where the problem is, therefore, very simple.

Conclusion.—The above is the gist of the views held by the Dhar Darbar generally on the opium question before this Conference, but they keep an open mind and are ready to co-operate with the Government in any scheme that will not impair the Darbar's rights and that may be adopted by general consent. The Dhar Darbar further assure that they will do everything in their power to help the Government in the fulfilment of their international obligations.

K. NADKAR,

Dewan, Dhar State.

Dated Simla, the 26th May 1927.

STATEMENT A.

Statement showing the area under Poppy cultivation, Revenue Produce and average produce per acre of Crude Opium from the year 1905 to 1927.

No	Years.	Area in Acres.	Revenue at Rs 16 per Acre.	Actual produce.	Average produce per acre.
1	2	3	4	5	6
			Rs.	Mds, Srs. Tolas	Srs. Chs.
1	1905-06	7,128	1,14,018	877 17 0	4 15
2	1906-07	7,197	1,15,152	1029 8 0	5 11
3	1907-08	1,847	29,552	320 32 0	6 15
4	1908-09	1,809	30,384	233 21 0	4 15
5	1909-10	1,371	21,936	163 23 0	4 12
6	1910-11	2,728	43,648	303 10 0	5 12
7	1911-12	341	5,456	45 30 0	5 6
8	1912-13	2	32	0 15 0	7 8
9	1913-14	.	...	...	...
10	1914-15	...	...	...	...
11	1915-16	.	...	...	...
12	1916-17	...	...	...	...
13	1917-18	...	...	...	...
14	1918-19	...	.	...	...
15	1919-20	47	752	4 30 1	4 1
16	1920-21	94	1,504	14 0 38	6 0
17	1921-22	326	5,216	60 18 11	7 7
18	1922-23	226	3,616	38 0 52	0 13
19	1923-24	246	3,936	40 22 1	6 0
20	1924-25	112	1,792	18 3 52	0 7
21	1925-26	6	96	0 21 65	3 8
22	1926-27	78	1,248	17 2 59	8 12

STATEMENT B-1.

Statement showing details of average cost of cultivation of different crops by Irrigation per acre, average out-turn and income derived therefrom with profit or loss.

No.	Details of crops.	Harrowing.	Manure.	Spreading of manure.	Carting of manure.	Ploughing.
		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1	Maize . . .	3 3 0	30 0 0	2 4 6	6 8 0	6 0 0
2	Poppy . . .	7 5 3	13 9 6	2 3 9	5 3 0	16 12 9
3	Wheat . . .	4 6 3	...	...	...	5 4 3
4	Cotton with Maize .	8 3 3	10 0 0	3 4 9	7 3 0	4 6 3
5	Sugarcane . . .	2 0 0	6 6 6	...	...	27 3 0
6	Chillies . . .	5 3 3	36 0 0	2 12 9	2 12 9	7 3 3
7	Tobacco . . .	10 12 9	12 0 0	6 4 3	6 4 9	...
8	Potato . . .	12 12 9	...	...	...	...

No.	Details of crops.	Sowing.	Covering.	Seeds.	Inter-culturing.	Thinning and mulching.
		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1	Maize . . .	1 4 9	1 0 0	0 13 0	2 9 6	0 8 6
2	Poppy . . .	0 3 3	...	1 1 6	...	10 15 9
3	Wheat . . .	2 11 3	...	5 9 6	...	...
4	Cotton with Maize .	1 14 6	...	1 6 3	3 3 3	...
5	Sugarcane . . .	...	10 6 6	39 9 9	...	...
6	Chillies . . .	7 3 3	...	...	5 3 3	...
7	Tobacco . . .	14 6 6	...	...	...	...
8	Potato . . .	14 6 3	6 6 3	115 3 0	...	...

STATEMENT B-1—contd.

Statement showing details of average cost of cultivation of different crops by Irrigation per acre, average out-turn and income derived therefrom with profit or loss—contd.

No.	Details of crops.	Weeding.	Watching.	Harvesting.	Threshing.	Crushing of clods.
		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1	Maize	6 11 6	3 10 3	5 9 6	1 4 5	...
2	Poppy	18 0 0	4 0 0	1 9 6	...	5 0 0
3	Wheat . . . .	...	3 3 3	3 12 9	9 6 3	...
4	Cotton with Maize .	18 0 0	...	3 3 3	...	...
5	Sugarcane . . .	12 0 0	44 12 9	...	...	...
6	Chillies	16 12 9	...	...	...	...
7	Tobacco	32 0 0	...	3 3 3	...	...
8	Potato	9 9 6	...	18 6 3	...	...

No.	Details of crops	Preparing of beds	Levelling of beds	Watering.	Water-guiders.	Tapping.
		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1	Maize . . . .	...	...	...	...	...
2	Poppy	4 9 6	3 6 9	76 14 3 By well By tank at	9 13 3	40 12 9
3	Wheat . . . .	...	...	20 12 9	8 6 6	...
4	Cotton with Maize .	...	...	...	...	...
5	Sugarcane	9 3 3	11 15 9	By well 153 9 9 By tank 9 9 6	...	...
6	Chillies . . . .	...	...	78 6 3	...	...
7	Tobacco . . . .	...	...	12 12 9	...	...
8	Potato . . . .	...	...	76 12 9	...	...

STATEMENT B-1—contd.

Statement showing details of average cost of cultivation of different crops by Irrigation per acre, average out-turn and income derived therefrom with profit or loss—contd.

No.	Details of crops.	Oil.	Carting to thrashing floor.	Crushing and winnowing.	Cutting, stumps and burning them.	Collecting of stubbles.
		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1	Maize . . . .	...	...	...	...	...
2	Poppy	1 0 0	0 6 6	0 12 9	1 3 3	...
3	Wheat . . . .	...	2 6 3	...	...	0 12 0
4	Cotton with Maize .	...	...	...	...	...
5	Sugarcane . . .	...	...	...	...	...
6	Chillies . . . .	...	6 6 3	...	...	...
7	Tobacco . . . .	...	3 3 3	...	...	...
8	Potato . . . .	...	...	...	...	...

No.	Detail of crops.	Preparing water channels.	Picking.	Farrow making.	Cutting of canes.	Furnace and pan attendants.
		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. s. p.
1	Maize . . . .	...	...	...	...	...
2	Poppy . . . .	...	...	...	...	...
3	Wheat	0 9 6	...	...	...	...
4	Cotton with Maize .	...	6 6 6	...	...	...
5	Sugarcane . . . .	...	...	2 0 0	11 8 0	25 9 6
6	Chillies . . . .	...	...	...	...	...
7	Tobacco . . . .	...	...	...	...	...
8	Potato	5 9 6	...	...	...	...

STATEMENT B-1—contd.

Statement showing details of average cost of cultivation of different crops by Irrigation per acre, average out-turn and income derived therefrom with profit or loss—contd.

No.	Details of crops.	Crushing.	Man preparing Gar.	Hire for Mill and pan.	Accessories	Linca making.
		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1	Maize	...	...	...	...	...
2	Poppy	...	...	...	...	...
3	Wheat	...	...	...	...	...
4	Cotton with Maize	...	...	...	...	...
5	Sugarcane	30 11 6	12 12 9	12 11 9	12 12 9	1 3 3
6	Chillies	...	...	...	...	...
7	Tobacco	...	...	...	...	...
8	Potato	...	...	...	...	...

No.	Details of crops.	Planting.	Coolies.	Topping	Collecting of leaves.	Land Revenue.
		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1	Maize	...	...	...	...	14 12 0
2	Poppy	...	...	...	...	14 6 3
3	Wheat	...	...	...	...	10 0 0
4	Cotton with Maize	...	...	...	...	32 0 0
5	Sugarcane	...	...	...	...	14 6 3
6	Chillies	15 0 0	10 3 0	...	...	10 0 0
7	Tobacco	6 0 0	...	14 6 6	4 12 0	12 12 0
8	Potato	...	...	...	...	...

STATEMENT B-1—contd.

Statement showing details of average cost of cultivation of different crops by Irrigation per acre, average out-turn and income derived therefrom with profit or loss—contd.

No.	Details of crops.	Total cost (Expenditure).	Produce. Pucca.			Rate.
		Rs. a. p.	Mds.	Srs	Ch.	Rs. a. p.
1	Maize . . .	71 7 3	17	16	0	Rs. 12 per 6 m's
2	Poppy . . .	By well 239 12 0 By tank in Malwa and by well in Nemar. 194 5 3	0 12 6 4 3 0	Opium Seeds		" 10 per sr. " 48 per 6 mds.
3	Wheat . . .	79 11 6	16	32	0	" 24 " "
4	Cotton with Maize .	83 3 0	8 0-0 4 32-0	Cotton Maize		" 70 " " " 12 " "
5	Sugarcane . . .	By well 457 6 6 By tank 313 6 3	38	16	0	" 10 per md.
6	Chillies . . .	210 6 0	12	32	0	" 80 per 6 mds.
7	Tobacco . . .	142 2 6	8	0	0	" 16 per md.
8	Potato . . .	271 15 0	24	0	0	" 24 per 6 mds.

STATEMENT B-1—concl'd.

Statement showing details of average cost of cultivation of different crops by Irrigation per acre, average out-turn and income derived therefrom with profit or loss—concl'd.

No.	Details of crops.	Amount.		Total Expenditure		Total Income	
		Rs. a. p.		Rs. a. p.		Rs. a. p.	
1	Maize	Maize	35 12 9		71 7 3		39 12 9
		K dbi	4 0 0				
			39 12 9				
2	Poppy		124 0 0		By well		156 10 3
			82 10 3		239 12 0		
					By tank and well		
3	Wheat	Wheat	156 10 3		194 5 3		74 6 3
		Chaff	65 9 6		79 11 6		
			8 12 9				
			74 6 3				
4	Cotton with Maize . .		91 6 6		83 3 0		104 0 0
			9 9 0				
			104 0 0				
5	Sugarcane		381 0 0		By well		384 0 0
					457 6 6		
					By tank		
6	Chillies		171 3 3		313 6 3		171 3 3
					210 6 0		
7	Tobacco		128 0 0		142 2 6		128 0 0
8	Potato		96 0 0		271 15 0		96 0 0

No	Details of crops.	Profit	Loss.	REMARKS.
		Rs a p.	Rs a. p.	
1	Maize . . . .	...	31 10 6	Irrigation by tank is done in Malwa only.
2	Poppy . . . .	...	By well 80 1 9	
			By tank and well 37 11 0	
3	Wheat . . . .	....	5 6 3	
4	Cotton with Maize .	20 13 0	...	
5	Sugarcane	'By tank 70 9 9	By well 73 6 8	
6	Chillies . . . .	...	39 3 0	
7	Tobacco . . . .	...	14 2 6	
8	Potato . . . .	...	175 15 0	

STATEMENT B-2.

Statement showing details of estimated expenses and income of cultivator owning and cultivating an average holding of 16 acres.

No.	Name of crops.	Holdings with irrigation.			Holdings without canal. Irr.		
		Area in Acres.	Expense in Rs. & p.	Income in Rs. & p.	Area in Acres.	Expense in Rs. & p.	Income in Rs. & p.
1	Irrigated—		Rs. & p.	Rs. & p.		Rs. & p.	Rs. & p.
	1. Maize . . .	1	29 14 9	21 0 0	1	29 14 9	21 0 0
	2. Poppy . . .	1	65 9 0	65 9 6	1	65 9 0	60 9 6
	3. Cotton . . .	1	50 0 0	31 7 3	1	50 0 0	31 5 3
	Total . . .	1	145 7 9	117 6 9	1	145 7 9	112 6 9
2	Unirrigated—						
	1. Cotton . . .	2	50 8 6	64 0 0	2	50 8 6	61 0 0
	2. Juar . . .	2	28 0 0	32 0 0	3	12 0 0	45 0 0
	3. Gram . . .	2	31 0 0	75 3 0	2	31 0 0	55 3 0
	4. Wheat . . .	3	67 0 0	65 10 0	3	67 0 0	65 10 0
	5. Linseed . . .	1	18 11 0	24 0 0	2	37 6 0	48 0 0
	6. Ajwan . . .	1	11 0 0	16 5 3	1	11 0 0	16 5 3
	7. Dharwa (Coriander). . .	1	5 8 3	8 2 6	1	11 0 0	16 5 0
	8. Tili (Oilseed) . . .	1	5 13 0	10 0 0	1	11 11 0	20 0 0
	9. Grass . . .	3	13 2 9	19 3 9	...	...	...
	Total . . .	15	223 13 6	274 8 6	15	254 11 6	313 7 3
	Grand Total . . .	16	404 5 3	416 14 9	16	425 3 3	455 13 6
	Net profit or loss . . .			12 9 6			20 10 3

NOTE :—The average holding is for Malwa Division where poppy is cultivated at present.

STATEMENT B-2—*contd.*

Statement showing details of estimated expenses and income of cultivator owning and cultivating an ariage holding of 16 acres—contd.

COMPARISON OF IRRIGATED CROPS WITH POPPY.

No	Name of crops.	Area.	Expenditure.	Income	Profit.	Loss.
			Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1	Maize	}	130 7 9	91 3 2	...	39 4 9
	Poppy					
2	Wheat	}	29 11 3	39 3 0	11 7 9	...
3	Tobacco—					
	1. By contract	}	32 1 0	40 0 0	7 15 0	...
	2. By actual grower	}	69 11 0	64 11 0	...	5 0 0
4	Sugarcane—					
	By well	}	223 11 3	192 0 0	35 4 10	36 11 3
	By tank					

STATEMENT B-3.

Statement showing area under sugar-cane cultivation from the year 1906 to 1927.

No.	Years.	Area in acres Khalsa
1	1906-07	—
2	1907-08	—
3	1908-09	200
4	1909-10	105
5	1910-11	73
6	1911-12	203
7	1912-13	68
8	1913-14	49
9	1914-15	81
10	1915-16	123
11	1916-17	85
12	1917-18	144
13	1918-19	364
14	1919-20	147
15	1920-21	239
16	1921-22	274
17	1922-23	320
18	1923-24	293
19	1924-25	170
20	1925-26	110
21	1926-27	46

STATEMENT C.

Statement showing export duty levied on Agricultural produce.

No.	Name of article.	Percent duty per chest.			Proportional rate.		
		R.	A.	P.	R.	A.	P.
1	Wheat, Melvi	0	10	8	0	10	8
2	Wheat, Dhara	0	8	0	0	8	0
3	Gram	0	8	0	0	5	8
4	Tur	0	6	8	0	6	8
5	Tur pulv	0	8	4	0	8	4
6	Mung	0	5	4	0	5	8
7	Mung pulv	0	6	8	0	8	4
8	Batta	0	8	0	0	6	8
9	Urd	0	8	0	0	6	8
10	Cotton Seed	0	3	0	0	3	0
11	Bajara	0	8	0	0	5	4
12	Ground nut	0	8	0	0	6	0
13	Juar	0	5	4	0	5	4
14	Moar	0	8	0	0	6	8
15	Tilli	0	10	8	0	10	0
16	Ajwan	0	8	0	0	8	0
17	Chillie	0	4	0	0	8	0
18	Dhonia	0	4	0	0	8	0
19	Rajira	1	5	4	0	8	0
20	Lau seed	0	6	0	0	6	0
21	Rameli	0	5	4	0	6	0
22	Tobacco	1	9	0	0	8	0
23	Mustard	0	4	0	0	8	0
24	Mothe	0	4	0	0	8	0
25	Seed, Cotton (Kapa)	0	10	8	0	10	8
26	Sar-o	0	5	4	0	6	0
27	Sua	0	13	4	0	8	0
28	Castor seeds	0	6	0	0	6	0
29	Opium (balls)	24	0	0	24	0	0*
30	Opium	20	1	9	20	1	9†

* On less than one chest.

† Per chest.

STATEMENT D.

Statement showing Revenue from Opium from the year 1906-07 to 1926-27.

No.	Year.	EXPORT TO OTHER STATES.				OTHER REVENUE.			
		CRUDE.		MANUFACTURED BAILS.		Duty on internal movement of crude Opium.	Miscellaneous.	Total.	Grand Total.
		Export Duty.	Miscellaneous	Export Duty.	Miscellaneous.				
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	1906-07	11,222	603	832	5,979	100	...	100	19,496
2	1907-08	1,636	807	4,476	9,040	562	...	562	15,571
3	1908-09	1,937	...	10,778	...	230	...	230	13,045
4	1909-10	1,440	...	8,327	...	140	...	140	9,907
5	1910-11	...	...	14,616	...	101	...	101	14,017
6	1911-12	159	...	5,817	...	13	...	13	5,982
7	1912-13	15	...	1,248	...	43	4,36,574	4,36,617	4,37,980
8	1913-14	134	...	3,385	...	83	...	83	3,842
9	1914-15	4,892	581	7,503	11,500	21	...	21	24,303
	Total	22,058	2,057	50,892	25,619	1,343	4,36,574	4,37,917	5,44,443

STATEMENT D—contd.

No.	Year.	INTERNAL CONSUMPTION.					EXPORT TO OTHER STATES.				License fee from whole-sale dealers.	Grand Total.
		License fee.	Duty.	Stamping.	Compensation.	Profit on sale to shop.	Total.	Duty Opium exported.	Profit on sale by State godown to outsiders.	Total.		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
10	1915-16	16,083	7,783	1,406	44	...	25,301	3,399	247	3,646	330	29,327
11	1916-17	18,639	6,604	1,420	...	...	26,663	547	309	856	340	27,859
12	1917-18	18,697	7,866	1,557	...	...	27,560	907	...	907	275	28,742
13	1918-19	21,912	6,692	1,159	...	...	29,763	562	1,328	1,890	190	31,843
14	1919-20	18,727	5,519	897	...	...	25,143	637	...	637	145	25,925
15	1920-21	28,899	5,241	1,168	...	...	35,308	174	...	174	145	35,627
16	1921-22	11,889	19,378	254	...	15,786	47,107	141	1,907	2,501	25	49,183
17	1922-23	9,807	26,046	15	...	16,977	52,845	110	736	866	80	53,791
18	1923-24	12,261	25,049	...	...	16,497	53,807	93	132	225	20	54,052
19	1924-25	15,263	23,045	...	...	16,888	55,196	319	1,594	1,913	190	51,299
20	1925-26	12,071	19,737	...	...	13,525	45,333	374	1,660	2,034	70	47,437
21	1926-27	13,772	22,659	...	...	11,703	48,134	69	66	135	100	48,369
TOTAL		1,97,745	1,75,119	7,876	44	91,376	4,72,160	7,335	7,999	15,334	1,960	4,89,454
GRAND TOTAL:—Total Revenue from internal consumption							4,72,160	Total Revenue from export to other States			Total of other Revenue	10,33,897
											4,39,877	

STATEMENT E.

Statement of actual expenses incurred on opium purchase and sale of Dhar State for the year 1926-27.

No.	Details of expenses.	Amount.	
		Rs.	A. P.
1.	Opium Godown Staff	900	0 0
2.	Cost of opium purchased	23,184	0 0
3.	Excise staff 1/10th of the total expenditure	2,105	0 0
4.	Contingency and miscellaneous 1/10th of the total expenditure	254	0 0
5.	Expenses of Revenue Department on opium	650	0 0
TOTAL EXPENDITURE		27,093	0 0

Total consumption of opium during the year was 44½ maunds, therefore, the average cost of 1 seer of opium issued from warehouse comes to Rs. 15-4-0.

STATEMENT F.

Comparative statement showing opium Revenue and total revenue of Dhar State from the 1906-07 to 1926-27.

No	Years.	State Revenue.	REVENUE ON OPIUM.			Percentage.
			Excise.	Land Revenue.	Total.	
		Rs.	Rs.	Rs.	Rs.	
1	1906-07	12,34,550	19,496	1,15,162	1,34,648	10.00
2	1907-08	7,80,234	15,671	29,552	45,123	5.78
3	1908-09	11,20,561	13,045	30,384	43,429	3.87
4	1909-10	11,58,492	9,907	21,936	31,843	2.75
5	1910-11	10,95,799	14,617	43,648	58,265	5.32
6	1911-12	8,42,500	5,981	5,456	11,437	1.35
7	1912-13	18,12,600	4,37,880	32	4,87,912	21.16*
8	1913-14	14,20,755	7,3,610	...	3,610	0.25
9	1914-15	13,39,770	24,301	...	24,301	1.81
10	1915-16	10,31,920	29,327	...	29,327	2.84
11	1916-17	14,27,302	27,859	...	27,859	1.95
12	1917-18	14,70,921	28,742	...	28,742	1.95
13	1918-19	14,33,391	31,843	...	31,843	2.22
14	1919-20	18,67,830	35,925	752	26,677	1.13
15	1920-21	14,66,323	35,627	1,504	37,131	2.51
16	1921-22	17,18,302	49,183	5,216	54,399	3.17
17	1922-23	17,48,717	53,791	3,616	57,407	3.28
18	1923-24	17,76,766	54,052	3,936	57,988	3.27
19	1924-25	17,26,996	57,299	1,792	59,091	3.42
20	1925-26	16,44,371	47,437	96	47,533	2.89
21	1926-27	16,81,483	43,369	1,248	49,617	2.95

* Compensation Rs 4,36,575.

STATEMENT G.

Statement showing Establishment, Expenses and duties of the Staff of the Excise Department.

No.	Staff.	No of staff.	Yearly pay.	Duties.
1	Commissioner . .	1	Rs. 2,100	To control the Department and to be responsible to Darbar in all matters of opium.
2	Chief Inspector . .	1	900	To assist the Commissioner in his duties and to supervise the work of Sub-Inspectors.
3	Sub-Inspectors .	6	3,780	To inspect shops and to supervise retail sale of opium, detect crimes against opium law and conduct cases in the Perganas.
4	Clerks	8	2,340	To carry out correspondence and do account work and prepare statements and registers in Commissioner's Office.
5	Sub-Inspectors' clerks .	4	960	To carry out correspondence and maintain Registers and do necessary account work.
6	Girdawar	1	360	To assist Sub-Inspector, in detecting crimes and supervising sale.
7	Nakedars	120	20,040	To check import and export of articles including opium and to detect crimes against law.
8	Menials	30	3,336	Includes Chaprasis, Godown Chankidars and Hamals, etc.
	<i>Godown Staff.</i>	171	33,816	
9	Inspector	1	480	To control opium Godown, keep stocks in his control and supervise issues, etc.
10	Tester	1	300	To get opium manufactured and keep Registers.
11	Clerk	1	240	To carry out correspondence and maintain various Registers of sale and duty, etc.
	Total	3	1,020	
	Contingency . . . .	..	6,724	
	Grand Total	174	41,560	

STATEMENT G-1.

Statement showing details of Revenue Staff

No	Designation.	No of persons	Annual Expenditure	Duties
			Rs	
1	Revenue Member .	1	3,000	General Control
2	Staff	4	914	
3	Chief Revenue Officer	1	3,900	Powers of issuing permits or licenses
4	Head Superintendent	1	1,200	Checking of opium cultivation 25 per cent
5	Chief Revenue Office staff	17	4,860	
6	Manual staff . .	11	852	
7	Boundary Superintendent	2	2,256	
8	Patwari teacher . .	1	588	
9	Contingency . . .	...	8,724	
10	Travelling Allowance	...	1,610	
	<i>Mahaf.</i>			
11	Kamadar	1	2,100	Checking of opium cultivation up to 10 per cent and inspection of licenses or inspection of cultivation without Licenses and conducting of regular proceedings against such unauthorized persons and to recommend granting of Licenses
12	Additional Kamadar .	1	750	
13	Naib Kamadar . .	1	960	Checking of opium cultivation upto 50 per cent within his circle
14	Gardawara	3	1,728	While inspecting crops and area under Khatbi cultivation has to prepare a statement of the area under poppy cultivation in his circle and submit it to his head office
15	Registrars	2	636	To prepare such statements and to correspond with regard such statement

STATEMENT G-1—*contd.**Statement showing details of Revenue Staff.*

No.	Designation.	No. of persons.	Annual Expenditure.	Duties.
			Rs.	
16	Patwaries . . .	58	13,932	Inspection of licenses issued according to the list furnished by the head office and to report against unauthorised persons. To estimate the product of opium and to finally hand over the product after weighing to Excise Inspector.
17	Patels 123, Tadavi 23 .	146	11,000	To report of unauthorised persons (cultivators) as per Rule 28.
18	Staff . . . .	..	7,092	
19	Chaukidars . . .	159	11,452	
20	Travelling Allowance .	...	900	
21	Miscellaneous . . .	...	1,459	
22	Public Works . . .	...	500	
23	Contingency . . .	...	4,527	
	Total Rs. .	...	85,000	

STATEMENT H.

Statement showing stocks of opium in Dhar State on 1st October 1927.

Godown (State) Stock.

Quality.	Quantity.	Price at 521 per maund.
	M. S. T.	Rs. A. P.
Opium balls . . .	20 38 68	10,926 0 0
Crude opium . . .	47 32 51	24,912 0 0
Stamped opium . . .	7 39 0	4,155 0 0
TOTAL .	76 30 39	39,993 0 0

STATEMENT H—contd

Stocks with Merchants

No	Name and place of merchants	Quantity			Approximate price at Rs 75 per Dhadl
		M	S	T	Rs
1	Pannalal Gopal, Dhar	28	27	14	17,208
2	Mohan Bansi, Dhar	1	15	0	825
3	Gambharmal Chunnimal Dhar	56	9	5	33 786
4	Lalhmuchand Badnawar	15	0	75	9,014
5	Nathuji, Badnawar	19	23	40	11,782
6	Chaturbhuj, Kanwan	4	1	20	2,419
7	Tekaji, Bidwai	5	33	5	3,526
8	Abdo ali, Multhan	4	35	25	2,929
9	Bakhatgarh, Bakhatgarh	0	2	40	37
TOTAL		135	27	64	81,476
GRAND TOTAL		212	18	23	1,21 469